



## news

## significant shorts

## Triple killer denied bail by Dublin High Court

A 49-year-old Colchester man convicted of three killings failed in a bid to secure bail in the Dublin High Court yesterday after the judge heard he had a history of absconding.

Alao Patrick Reeve is awaiting extradition back to Britain following his arrest at the weekend in Co Cork. He was sent to Broadmoor aged 16 in 1964 after killing a friend. There, at the age of 19, he killed another patient. He escaped and fled to Holland in 1981, where he shot and killed a policeman during an armed robbery. He was arrested and served a ten-year jail term.

Released in 1992 he fled during a dispute over his extradition between UK and Dutch authorities, and had been living in Ireland for two years. The court heard evidence from his Irish fiancee, Ann Murphy, who said she was aware of his background but that he was of good character.

Alan Murdoch

## Silcott faces block to damages bid

The family of murdered policeman Keith Blakelock could take legal action to block damages awarded to Winston Silcott – the man cleared by the Appeal Court of his killing during riots in 1985.

The Metropolitan Police Federation confirmed on Sunday night that it was exploring legal moves to help the family bring a civil case. A spokesman said: "We are looking at ways of Mrs Blakelock and her sons getting legal aid to put a stay on any award Silcott gets ... he is constantly making waves for the family and causing problems. We would like him to have some problems of his own for a change. It is about time the public knew the truth and this is one way of it coming out."

Silcott, 37, who is serving a life sentence for a different murder, was convicted of hacking to death PC Blakelock during riots in Tottenham, London. The verdict was later quashed by the Court of Appeal after hearing evidence that police had tampered with interview evidence.

## Druid demands return of Excalibur



Arthur Pendragon, a druid whose sword "Excalibur" was confiscated when he was arrested at a London demonstration in support of sacked Liverpool dockers on Saturday, said he may go to the High Court to win its return. Mr Pendragon, 43, of Farnborough, Hampshire, is charged with possessing a sword with a blade longer than 7.62cm in Northumberland Avenue, in London's West End, on Saturday.

Respondent in white flowing robes emblazoned with a red dragon, Mr Pendragon said he was lost without Excalibur and wanted the sword returned so he could carry out his ceremonial duties.

"I am a sword bearer and without my sword I am nothing," he said.

Mr Pendragon, who believes he is the reincarnation of King Arthur (pictured) added: "I have the sword with me wherever I go, I even sleep with it. It is never out of its sheath, except in ritual and ceremony." He said he had agreed to be bailed only because his deposit and nomination papers need to be in by 4pm on Wednesday in the Aldershot constituency where he is standing as an independent candidate.

Matthew Brace

## London marathon victim named

A man who died during the London Marathon on Sunday has been named as 44-year-old James Herbert from Plymouth.

Teams of St John Ambulance volunteers tried to resuscitate Mr Herbert, but he was pronounced dead shortly after arriving at St Thomas' Hospital at 3.39pm.

Mr Herbert was the fifth competitor to die in the event's 17-year history. More than 29,000 competitors took part in the race this year.

## More Scottish food poisoning cases

The number of possible cases of salmonella food poisoning linked with a Perth hotel has now reached 125, health officials said last night.

Fifty-nine cases have been confirmed and a further 66 are suspected, said officials from Tayside Health Board investigating the scare at the Isle of Skye Hotel. Officials said the outbreak control team was now "fairly sure" the outbreak was under control, although the number of confirmed cases is expected to continue rising over the next few days. Investigators are to redouble their

## people



Val Kilmer, one of Hollywood's favourite leading men, last night attended the premiere in London of his latest screen incarnation – Simon Templar – in the big-screen version of *The Saint*. The *Batman* star was reportedly paid £4m for the role. The film opens nationwide on 18 April.

## Heroic ex-policemen who acted more like the SAS

Two former policemen recalled yesterday how they risked their lives by diving on top of an exploding grenade in a restaurant in Ethiopia – an act of bravery more akin to the SAS than the average constable's basic training.

John Bow and Blair Davies, who used to serve with the Northamptonshire and Derbyshire forces, suffered serious lacerations as they took the brunt of the blast which rocked the Blue Tops restaurant in the East African country's capital, Addis Ababa, on Saturday night.

Their actions may well have saved the lives not only of their wives, with whom they were dining, but also the other guests in the restaurant. Neither man was specially trained in anti-terrorist measures.

The blast has forced the Foreign Office to issue advice to travellers to Ethiopia and to warn that further attacks on high-profile Western targets cannot be ruled out.

Speaking from their hospital beds in Addis Ababa yesterday, Mr Bow and Mr Davies recalled the harrowing seconds after they saw the grenade fly into the centre of the restaurant.

"We instinctively threw ourselves on the explosive to protect our wives from serious injuries," said Mr Bow, a former superintendent.

"Thank God our wives escaped with light injuries."

Mr Davies added: "Our injuries are painful but not life-threatening."

It was still not clear last night whether the men, both

in their 50s and with 30 years service in the police, had been deliberately targeted because of the nature of their work in Ethiopia – they are part of a three-man team involved in a £4.9m British Government training programme to restructure the Ethiopian police force. Their year-long project was due to finish next month.

The men's present employer, a contractor called RIPA International, paid tribute to them.

Lawrence Eaton, the company's director, said: "It was a bloody brave thing to do and very impressive. We're now working hard to get them back to Britain. As far as we can gather there was no question of them being personal targets."

After visiting the men in hospital, a British Embassy nurse, Janet Duff, said their conditions were "improving steadily".

"They are able to chat and they are feeling an awful lot better than they did on Saturday night. Things are looking good for a full recovery, but they are still in quite a lot of pain from their injuries," she said.

Saturday's incident was the latest in a series of attacks on hotels in Ethiopia in the past 15 months, according to the Foreign Office.

"Various political groups are thought to be responsible for the attacks. Their aims are to discredit and embarrass the government by attacking further high profile targets," said an FO spokesman.

"Further indiscriminate attacks cannot be ruled out and visitors should be alert at all times."

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## Topless Melinda criticised in advertising report

Page three model Melinda Messenger and Tony Blair make a joint appearance today – not in the Sun, but in advertisements criticised by the Advertising Standards Authority.

Mel Messenger was used last year by a small Gloucester double glazing company in a press and poster campaign. The ad featured Ms Messenger peering through a window in her underwear. Once it was spotted she was whisked to London by the Sun, which had been looking for a model it could turn into a "Sam Fox for the Nineties".

However, in its most recent monthly report, the ASA upheld four complaints from the public about the Glevum Window Systems ad, and deemed its sexual innuendo "offensive and unnecessary".

The company, which paid £120 for the photograph, claims that the pictures were so popular they were being stolen from bus shelters. In a blow to the sophistication of the advertising industry it also maintains that the photograph increased sales of its windows by 25 per cent.

Meanwhile, Tony Blair appeared in the ASA's second most complained about ad of 1996 – the Conservatives' "demon eyes" campaign. The ASA criticised it not for its apparent attribution of satanic



qualities to the Labour leader, but because he was portrayed without his permission. The ad attracted 167 complaints. The most complained about advertisement of all last year was a poster for a Gossard bra that featured a woman reclining on hay in her underwear above the slogan: "Who says woman can't get pleasure from something soft." It received 312 complaints after Lynda Lee Potter in the *Daily Mail* drew it to the attention of her readers.

Overall, complaints about advertising were down in 1996.

Paul McCann

## Cricket legend's widow honoured

The widow of cricket legend Stuart Surridge yesterday went out to bat for sporting equality by becoming the first woman president of a county cricket club.

Betty Surridge – whose husband captained Surrey County Cricket Club through five successive championship wins in the 1950s – took over the team's presidency from John Paul Getty at the annual general meeting at the Oval, south London.

Mrs Surridge, who describes herself as "70-something", said she was "obviously honoured" to head the team, which her husband led through the glory years of 1952-56, and for which her son "Tiger" Surridge also played.

But the grandmother, who admits she only plays cricket "on the beach", said

she would not be initiating radical changes to bowl out sporting chauvinism. "I think the job's a figurehead," she said.

"But what I am good at is meeting people. I know a lot of cricketing people and I shall help entertain."

Mrs Surridge – who will be banned from entering the Long Room at Lord's because of her sex – said she hoped her new role would improve the status of women in cricket.

And she said the county club – the first to allow women into the pavilion – had been wholeheartedly in favour of her election.

"There's been no opposition, at least not in my hearing. They're all over the moon," she said.

## briefing

## ASTRONOMY

## Satellite data proves stars are younger than Universe

Astrooomers can breathe easy: the stars really are younger than the universe. It turns out that a key "ruler" used to measure interstellar distances – and hence, by inference, the age of stars and galaxies – has been wrong by between 10 and 15 per cent.

According to Neil Reid at the California Institute of Technology, data from the European Space Agency's Hipparcos satellite leads to the conclusion that the oldest stars in the universe are actually 11 to 13 billion years old, rather than 16 to 18 billion years old, as had been thought.

The new results, to appear in July's *Astrophysical Journal*, will be of great interest to cosmologists, Dr Reid says, because estimates of the age of the universe, based on tracking back the current rate of expansion, suggest that the Big Bang occurred no more than about 13 to 15 billion years ago. "The ideal situation would be to have the same answer independently given by stellar modeling and cosmology," he said.

Dr Reid's method focuses on the types of stars found in globular clusters – spherical accumulations of hundreds of thousands of individual stars. These have long been known to be among the earliest objects to form in the universe, since the stars are composed mainly of hydrogen and helium, and because the clusters themselves are distributed throughout a sphere 100,000 light years in diameter, rather than confined, like the sun, within the flattened pancake of the galactic disk.

Charles Arthur

## TRANSPORT

## High price of getting around

Britons spend 15 per cent of their household outgoings on transport – twice the amount they did 44 years ago, according to a report published today. Although people own more cars, the amount of time they spend travelling has also increased, the report from environmental group Transport 2000 found.

The average household now spends £36.17 per week on motoring and £6.64 on fares and other travel costs, said the report, *Vital Travel Statistics*. This transport spending accounts for 15 per cent of household weekly spending, compared with just 7 per cent in 1953.

The report also found that the amount of time a person spends travelling each week rose from five hours and 47 minutes in 1975 to six hours and 53 minutes in 1994. Shopping trips are said to account for 22 per cent of all journeys.

In the year 1975-76, the proportion of work trips by car was 39 per cent in London and 54 per cent in small urban areas. By the mid-1990s this had increased to 49 per cent for Londoners and 73 for those in small urban areas.



## INDUSTRY

## Firms find skills shortage

The extent of Britain's skills shortage problem was highlighted yesterday when a survey reported that firms were unhappy with the expertise of job applicants. Two out of three organisations said there were shortages of suitably skilled applicants, especially in retailing. The public sector and charities were also badly affected, the survey of 557 organisations by recruitment specialists Reed Personnel Services found.

The biggest shortage of skills was reported in the South West, East Anglia, Scotland, the Home Counties, the Midlands, Wales and the South. The North East, the North West and Thames Valley were better off than other regions.

Reed chairman Alec Reed said: "Skills shortages have clearly emerged as one of the most crucial issues facing UK business today."

## AGRICULTURE

## BSE affects nearly all herds

More than 90 per cent of Britain's 9 million cows belong to a herd which has had a clinical case of BSE, or mad cow disease, in the past eight years, according to new calculations by Stephen Deale, an independent scientist. Other research, by Nick Short at the University of Reading, suggests that BSE could persist in British cattle until 2010 – far longer than the Government has claimed in its negotiations with Brussels.

The result of the first findings is that if Britain regains permission to export cattle from BSE-free herds – one of the main political aims of Douglas Hogg, the Minister for Agriculture, in his battle with the European Commission – it would barely begin to help the beef export business to recover.

Last year the EU ban on British beef effectively killed off the £500m export market. But because so few cows belong to herds which have been BSE-free, the economic impact of restarting exports would be minimal.

More than 160,000 cases of BSE have been recorded in British cattle, and calculations last year by a team at Oxford University suggested that another 700,000 infected animals would have entered the food chain between 1986 and 1995.

Charles Arthur

## SOCIETY

## Prostitution prosters in South

A Channel 4 documentary will tonight reveal the results of an extensive survey into prostitution. The research shows that of the men questioned the majority live in London (24 per cent) and the South (29 per cent), with fewer coming from the North and the Midlands. Almost all the men were white, and evenly split between professional or skilled workers and manual or unskilled.

Prostitutes working in massage parlours or advertising through cards, magazines and newspapers proved to be the most popular, while kerb-crawling ranked as one of the least favoured methods of approaching a prostitute.

Witness: *Men Who Pay for Sex*, Channel 4, tonight, 9pm  
Colin Blackstock

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مكتبة الأزهر

# Wealthier, wiser, so why not healthier?

Our lives are longer though affluence has not helped cut sickness

Glenda Cooper and Jeremy Lawrence

The number of people living to the age of 100 is set to increase tenfold by 2031 with estimated figures putting the number of centenarians at 45,000.

While the trend suggests greater life expectancy, we are living longer in sickness, not in health, according to a report from the Office for National Statistics, which surveyed adult health from 1841-1994.

Life expectancy has almost doubled in 150 years, but health life expectancy has failed to rise significantly.

Medicine has contributed little to this improvement compared to changes in diet, housing, and sanitation. Medical advances are estimated to have added five of the extra 30 years by which life expectancy has improved this century.

A large part of the improvement is due to better maternity care and reduced infant mortality. A child born in 1841 could expect to live to 41 if it were a boy and 43 if it were a girl. Its equivalent in 1991 could expect to live to 73 if male or 79 if female.

Between 1851 and 1991 the number of centenarians grew from 500 to 4,400, a rate of increase of 7 per cent a year, roughly doubling every 10 years.

At the same time, it is thought that maximum recorded ages for men and women in England and Wales (at present 115) will rise to at least 118 or 119 or even more.

In France, where life expectancy is higher, Jeanne Calment celebrated her 122nd birthday earlier this year.

Marriage is the best guarantee of good health, the study



Victorian

Edwardian

1940's

Present

| Life Expectancy                         |              |
|---|--------------|
| Male cause of death                     | 45(M) 49(F)  |
| Drink (litres of pure alcohol per year) | Tuberculosis |
| Smoking (kg per person per year)        | 7            |
| Age at marriage (men)                   | 6            |
| Population under 15[%]                  | 25           |
| Population over 64[%]                   | 30           |
| Divorce rate per 1,000 couples          | 5            |
|   | 0            |

| Life Expectancy                         |               |
|---|---------------|
| Main cause of death                     | 68(M) 74(F)   |
| Drink (litres of pure alcohol per year) | Heart disease |
| Smoking (kg per person per year)        | 4             |
| Age at marriage (men)                   | 11            |
| Population under 15[%]                  | 23            |
| Population over 64[%]                   | 22            |
| Divorce rate per 1,000 couples          | 10            |
|   | 100           |

| Life Expectancy                         |                      |
|---|----------------------|
| Main cause of death                     | 73(M) 79(F)          |
| Drink (litres of pure alcohol per year) | Cancer/Heart disease |
| Smoking (kg per person per year)        | 7                    |
| Age at marriage (men)                   | 26                   |
| Population under 15[%]                  | 19                   |
| Population over 64[%]                   | 16                   |
| Divorce rate per 1,000 couples          | 500                  |

## Nike swears off slave labour



A landless girl beside Highway PR-158 in Parana, Brazil, one of the images from photojournalist Sebastiao Salgado's *Democracy*: *The Struggle of the Landless*, which is launched on Thursday as an exhibition at St James's Church, Piccadilly, in London and at eight other locations and as a book (Phaidon, £35). Full details, 'Let my people go', The Tabloid

David Osborne  
New York

If Tiger Woods had a second for politics yesterday, he may have found one more reason to feel relief. Nike, corporate sponsor for the vaunted young winner of this weekend's golf Masters, is swearing off exploitation.

In a key battle in the war for improved conditions in Third World sweatshops Nike and other US clothing giants like LL Bean and Liz Claiborne signed a code of conduct on employment practices around the globe.

The unprecedented agreement, finalised at the White House with President Clinton, is an attempt by the companies to reverse months of disastrous publicity generated by reports of treatment of factory workers around the globe that has ranged from unfair to inhumane. Nike has been the worst hit.

The revelations about Nike – which reportedly punished 56 workers in Vietnam by forcing them to run in the sun until several collapsed – has hurt

some of its stars also. As a role-model for racial integration, Mr Woods, who has a mixed African-American and Thai heritage – has not escaped.

Negotiated over several months by the companies with human rights organisations, international labour representatives and the Clinton administration, the code includes provisions for outside monitors to visit individual factories and check for violations.

Additionally, the corporations will undertake to honour a 60-hour maximum working week – with the possibility of "voluntary" overtime – and to respect the minimum wage laws of the countries in which plants are located. Nor will they be allowed to employ workers under the age of fourteen.

In return, companies abiding by the code will be able to sew "No Sweat" labels into their products to reassure shoppers that in spending their money they are not indirectly supporting slave labour.

It is not clear that when violations are found they will be publicised.

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TOMORROW IN

THE INDEPENDENT

### Your essential election guide

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Free with the paper we are offering a 20-page election special – BRITAIN DECIDES – that gives you an all-round take-out-and-keep guide to the election. Some of the highlights are:

• A manifesto summary, which enables you to score the parties' key policies.

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4 news

# Parents of heart-op boy 'not told of risk'

Doctors at Harefield hospital were so convinced a baby should have a heart implant that they failed to tell its parents of the risk that he might suffer irreversible brain damage, a judge heard yesterday.

Matthew Poynter, 16 months old, was given a new heart at the hospital, in west London, by the surgeon Sir Magdi Yacoub in December 1987. It is still serving him well after 10 years but the brain damage he suffered rendered him "very very significantly disabled", said Sir Michael Maskrey QC, for his parents, Kevin and Linda Poynter, who are suing Hillingdon Health Authority for damages on their son's behalf.

"The staff at Harefield are dedicated, caring people who believe in heart transplants," Mr Maskrey told High Court judge Sir Maurice Drake. "They believed it was the duty of the parents to agree to a transplant. It was their view that it was utterly wrong to turn down the offer. They were faced with parents who, frustratingly from their point of view, were unprepared to take the opportunity. So one doesn't spell out the disadvantages if one is trying to persuade parents to take a course which one believes passionately is in the child's interests."

Mr and Mrs Poynter, from Biggleswade, Bedfordshire, who have two other children, say that if they had been told of the risks, they would have let Matthew die in peace rather than allow the operation to proceed.

The health authority argues that the risks of major brain damage are so small that doctors are under no legal duty to

give a warning and that, in any event, a warning was given in Matthew's case.

Mr Maskrey told the judge: "It may seem to many in this court ... to be churlish to be critical of them ... but the lives of patients don't belong to the medical profession and we say

Matthew, born in August 1986, developed a condition in which the left ventricle becomes enlarged and fails to contract properly. He had his own at first but became desperately ill after suffering colds and a chest infection.

His parents had a variety of objections to heart transplants, said Mr Maskrey. Mr Poynter "regarded the heart as more than a simple pump" and in 1987 transplant surgery for infants was in its early days.

Although they knew Matthew's life expectancy without the operation would be weeks or even days, Mr and Mrs Poynter went through agonies of indecision before giving consent. They alleged they were put under a "significant degree of pressure" by the hospital.

A donor heart arrived on 19 December 1987 and Matthew was taken to the operating theatre. His heart was kept going with massage for 30 minutes before he was attached to a bypass pump. It was believed the brain damage occurred during this period. It was "perhaps ironic" that, from the cardiac point of view, the implant was successful.

Mr Poynter told the judge: "We lost the happy child we had before the operation, which turned him into a little boy who may be distressed and crying most of the time." He said he and his wife did not get any support from the hospital, before or after the operation, for their views or the way they felt.

"Matthew was treated just as a person ready for transplant. It was a purely mechanical job, taking one heart out and putting

it in the birth canal. The amount of light reflected indicates the amount of oxygen in the blood supply to the brain. If there is not enough, doctors can simply give more to the mother.

Dr John Wyatt, who is leading the University College research team, said: "Many hundreds of babies each year suffer permanent brain damage because of a shortage of oxygen

and a poor blood supply to the brain during delivery."

This new scanner, which uses infra-red light, has the potential to prevent many of these cases from occurring each year, although further trials will be necessary."

Dr Wyatt and his team have predicted that, if the device is used widely, the number of Caesarean operations would

fall by almost half, because doctors would be able to act on accurate information rather than a hunch.

The machine was developed with a £98,500 grant from the charity Action Research. Although the cost of the device appears prohibitive at £30,000, commercial backing would make it significantly cheaper.

The parents did not see Sir Magdi until after the operation and at that time there was no formal counselling procedure in place, said Mr Maskrey.

The judge is being asked to decide only the question of liability. Any damages found due will be assessed at a later date. The hearing continues today.

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## news

# Riba's portals rocked by plot to oust chief



Reid: Military manner

## Kathy Marks

Revolution is stirring behind the handsome portals of the Royal Institute of British Architects. Some members of Riba, which represents one of Britain's most civilised professions, are plotting to oust their director-general in a coup.

Opponents of Alex Reid, who was appointed to the senior executive post three years ago, have forced a special meeting of the institute's ruling council

for today, to discuss whether he should be dismissed. Mr Reid, a former military pilot, will be asked to answer grievances before the council members vote on his future.

Discontent about Mr Reid will come to a head at the meeting which is taking place behind closed doors at the Riba's central London headquarters in Portland Place.

The subject matter is viewed as so sensitive that all 61 council members have been sworn

to silence, and even ordinary members are reluctant to discuss it.

The council is believed to be split evenly between supporters and opponents of Mr Reid and those who are undecided.

Mr Reid's critics regard him as a high-handed and abrasive manager who is out of step with the culture of a place accustomed to being run like a gentleman's club.

His backers praise him as a pragmatist and say that he has

swept the cobwebs out of an introspective and old-fashioned organisation.

Peter Lacey, the chairman of Riba's south-west region, said yesterday that Mr Reid had turned the institute's finances around.

"If someone exercises strong management, it is likely to disturb a number of people," Mr Lacey said.

"But that doesn't make it or the individual responsible, wrong. We desperately need

strong management and, as a progressive, modern profession, we should welcome the provocations it can bring."

The unprecedented divisions have led to the formation of a breakaway "reform" group of architects who want to preserve the old ways.

Mr Reid, who worked mainly in industry before he was appointed, has had frequent confrontations with Owen Luder, the institute's elected president.

One long-standing member said yesterday: "It's not like running a commercial company. He has to respect the professional ethics of architects."

Complaints which have been aired about Mr Reid include his derecognition of the staff union and the introduction of security swipe cards at Portland Place.

He is also accused of formulating policy "on the hoof", instead of leaving such matters to the elected officials.

His most unpopular move

was his dismissal of Peter Gibbs-Kennet, the director of education. Subsequently, Riba was informed by the Charity Commissioners that it had infringed their rules when it replaced Mr Gibbs-Kennet in the paid post with Chris Colburne, a council member with similar status to a trustee.

Mr Reid declined to comment before appearing at today's meeting, which required 10 signatures of council members in order to be called.

## Girls who diet are not liked by classmates

Glenda Cooper  
Social Affairs Correspondent

Schoolgirls who diet are less popular and judged less attractive than their classmates who eat what they like, according to a new report.

The study of 314 girls from several schools comes as researchers said that most anorexic girls have an inherited brain disorder that pre-programmes them to starve themselves.

In the schools study, Robert Phillips from St Luke's Hospital, Huddersfield and Andrew Hill from Leeds University asked the children, all aged about 10, to pick the three girls with whom they would most like to socialise, and the three most attractive girl in their class.

The girls on restrictive diets were significantly less popular and also seen as less attractive than others who were less concerned about what they ate. Ironically, girls on diets were also heavier and more dissatisfied with their weight and physical appearance than other girls.

The researchers say in their paper: "These findings highlight the social isolation of some girls who tend to be heavier than their peers, have low self-esteem, and are weight-concerned and dieting."

"Peer influences are both important and amenable to investigation," they added. "Further research is needed that

examines how peer groups pressure and protect girls' attempts at weight control, at different ages and over time."

The paper will be given today at an international conference on eating disorders organised by Great Ormond Street children's hospital in London and the *British Journal of Hospital Medicine*.

Another paper to be given at the same conference reveals that most anorexic sufferers had reduced blood flow to an area of the brain governing appetite and visual perception.

Dr Bryan Lask, a consultant psychiatrist at Great Ormond Street, said if the abnormality affected visual perception, this could explain why anorexic sufferers think they are fat when they are dangerously thin.

The researchers carried out brain scans of 19 children and teenagers with anorexia aged eight to 16. Those with the abnormality had significantly less blood flow in one temporal lobe than the other who the flow should be equal in both.

The researchers stressed, however, that psychological and social factors also played a part in who developed anorexia.

"This is an exciting discovery, but it's only a small piece of a large jigsaw. It does suggest that these children have a neurological predisposition in terms of developing an eating disorder," said Dr Lask.

## Chain reaction as Royal Academy picks paintings



Students holding up oil paintings yesterday for the Royal Academy's judging panel to choose a selection to be displayed at this year's Royal Academy Summer Exhibition.

During the three-day selection process the judges, led by Sir Philip Dowson, will look at 650 other exhibits for the 229th show which will be held in the galleries in Piccadilly, central London, from 3 June until 10 August.

Philip Meech

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# THE INDEPENDENT

# election '97

## Major talks tough on foreign fishing

Colin Brown  
Chief Political Correspondent

John Major has threatened to disrupt the Inter-Governmental Conference until a deal was reached to stop European Union fishing fleets using "quota-hopping" to net part of the British catch.

The Prime Minister said he would not allow the IGC in Amsterdam in June to make progress until British demands for "quota-hopping" to be banned had been met.

"The IGC will not come to a successful conclusion until they satisfy our objectives on quota-hopping," he said.

Senior Conservative sources said he would be seeking to have British-registered foreign ships removed from the register.

They represent 26 per cent by tonnage of the United Kingdom's fishing fleet, and have angered British fishermen whose jobs have been put at risk.

Mr Major attempted to raise Europe as one of the key issues for the first time in the campaign as his tour of marginal Tory seats rolled through the West Country, from Land's End to Plymouth, where the Liberal Democrats are challenging the Tories for many seats.

He warned wavering Tory voters that the Liberal Democrats would push a Lib-Lab government to join the single European currency in the first wave, and he cast doubt on Tony Blair's promise of a referendum on a European single currency.

He said Labour had matched the Tory pledge of a referendum on a single currency "but as we've seen over privatisation, devolution, and the unions, their policies changed daily".

Not to be outdone, Mr Blair told BBC Radio 4's *The World at One* programme that he was prepared to be isolated in Europe if British interests were at stake. "As we said two months

ago, we certainly have not ruled out holding up IGC business in order to get the right changes to fishing policy that are in Britain's interest ... What we don't want is a repeat of the Conservative disaster over BSE and the beef war where they thumped the table and had all sorts of tough rhetoric ... but got absolutely nothing done."

The Tories have been reluctant to go on the offensive on the European single currency, fearing it would reopen old wounds. But Mr Major has given *carte blanche* to Tory candidates to campaign on their own commitments to vote against any proposal to enter a single currency.

That compromise, lashed together at Tory headquarters, last night enabled Mr Major to go on to the attack against Labour. Those close to Mr Major on the campaign trail said he would not use the campaign to change the agreed Cabinet policy by ruling out joining a single currency.

His threat to mount a robust stand at the IGC marks a hardening of policy, which caught out the Conservatives' own research department.

He told party supporters at a rally in Plymouth that he felt in his bones that he was going to win the general election. "We are halfway through the general election campaign. In the last three weeks, I have quizzed this country. I have met the real people of Britain. I can tell you I feel it in the air, and in my bones we are going to win," the Prime Minister said.

The mood was changing out there, he said, repeating his criticism of Mr Blair for getting "tetchy" when he was faced with difficult questions, and throwing a cordon sanitaire around himself. "Mr Blair must learn that politics is about the difficult questions. If you aspire to be Prime Minister, you cannot run away from it," he said.



Fishy business: PM John Major and local Tory candidate William Rogers are shown a Turbot fish by sorter John Eddy (left) at Newlyn harbour. Photograph: Russell Boyce/Reuters

Colin Brown

## Britain likely to be net loser in EU fishery deal

Katherine Butler  
Luxembourg

The Government looks set to be outmanoeuvred today when EU ministers impose huge fleet cuts on Britain without providing any commitment to outlawing quota-hopping in negotiations on a new EU treaty. After months of deadlock a majority of the 15 fisheries ministers is expected to back fleet cuts of up to 20 per cent under controversial long-term plans to save endangered stocks.

If, as expected, the Fisheries Commissioner, Emma Bonino, agrees to scale down her original demands for 40 per cent cuts in response to pressure from other member-states, Britain will be unable to veto a binding deal. Fisheries minister Tony Baldry repeated the Government's insistence that "UK fish are for UK fishermen" and that Britain would implement no new fleet reductions until the legal anomaly which permits non-British fishermen to fish from British quotas is addressed. He said a quarter of all boats over 25m registered in the UK were quota-hoppers.

But his demands received short shrift as other ministers in-

dicated they wanted to hammer out details of a fleet-cuts deal by the time talks end later today. Spanish minister Loyola de Palacio spoke scathingly of British calls for a ban on Spanish skippers exercising their legal right to purchase UK-registered trawlers sold on the open market. "We (the Spanish) respect free trade and the single market. What surprises me is the totally protectionist view of a member-state that claims to champion free trade".

Mr Bonino voiced disappointment with member-states' demands for a scaling down of the fleet-reduction targets but remained hopeful an accord would be brokered today.

Ministers held a first round of talks last night which saw some support for French- and German-led proposals to scale down the Commission's proposals to 20-per-cent cuts for the most depleted stocks such as cod in the west of Scotland and the Irish Sea; and 15 per cent for "overfished" species including haddock and whiting in western waters. Targets would be achieved by a combination of laying up trawlers and new restrictions on fishing such as forcing boats to tie up for a certain number of days a year.

Europe must cut back on overfishing to protect threatened stocks, and so there must be deep cuts in the size of the union's fishing fleets.

The media and politicians are in danger of losing sight of this awkward imperative yesterday, as John Major and Tony Blair competed to show just how tough they were willing to be with the rest of the EU in order to get "quota-hoppers" dealt with.

Britain's own fishery scientists have warned that there is a very real threat of some North Sea and Channel stocks, such as cod, collapsing.

## PM gets short shrift over promises on quota-hopping

Few of the fishermen in the port of Newlyn, where decommissioned boats were being burnt last year, had much time for John Major's tougher line on "quota-hopping" when the Prime Minister's campaign tour pulled into the harbour.

St James Goldsmith, leader of the Referendum Party, would have a walk-over if the Cornish fishing village formed its own constituency.

At the turn of the century, Newlyn became famous for its own school of English Impressionist painting, mainly of the fisherfolk, but the fishermen there now say that they are threatened with extinction like the fish stocks of Land's End.

Mr James chose Newlyn to launch his national campaign for the Referendum Party and there was plenty of evidence on the quayside yesterday that the fishermen are anti-Europe.

That point was dismissed as "nonsense" by the Prime Minister said when it was put to him by *The Independent* at a morning press conference in the Queen's Hotel overlooking the port.

He said he would have needed the vision of Mystic Meg to predict that the quota system would be used by foreign fishermen to take a share of the British catch.

election. He should have done it five years ago."

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He said he would have needed the vision of Mystic Meg to predict that the quota system would be used by foreign fishermen to take a share of the British catch.

Mr Major's answers are unlikely to convince Dave Hicks, 39, who scrapped his boat last year, and is now reduced to crewing another vessel.

"At the moment, we stand to be completely ruined. At this rate, British fishermen will be extinct in 20 years. We accept we have to be a regulated industry, but it ought to be regulated by a British Parliament, not by bureaucrats in Brussels," said Mr Hicks, who will be voting for the Referendum Party.

There was a hammer saying "Rule Britannia out Brussels" across the dock just in case Mr Major had failed to get the message when he went on board one of the few boats with a Conservative owner.

He was accompanied by David Harris, the well-liked Tory MP who stood down after his wife became terminally ill and has been unable to find another seat. His departure will lose the Tories a few more votes.

One of the tribe of local artists, Tamsin Powell, 45, said she had voted for Mr Harris last time, but was now undecided. She was floating towards the Liberal Democrats but - like the fishermen - felt they were too pro-European. "So I don't know what I'll do," she said.

Mr Harris said: "Jimmy Goldsmith is not going to do well here. He launched his thing here, but that was the beginning of his campaign. There is much more to this election than just one form of referendum."

However, Mr Major may have pulled back one vote when he met local roadsweeper, Simon Ralph, 22, who voted Conservative last time. "I was encouraged that he took time out to speak to the average man like me," Mr Ralph said.

## EU must cut fleets to preserve stocks

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The media and politicians are in danger of losing sight of this awkward imperative yesterday, as John Major and Tony Blair competed to show just how tough they were willing to be with the rest of the EU in order to get "quota-hoppers" dealt with.

The fishing industry knows stock collapses are not just a threat. It happened to North Sea herring and mackerel in the 1970s, and by 1978 an annual herring catch which had stood at more than 700,000 tons eight years earlier had fallen to nothing. Herring stocks recovered in the North Sea; mackerel has not.

Cod do not breed until the age of four, but the majority are caught before then. The International Council for the Exploration of the Sea, the expert international body which officially advises Europe on the state of stocks, says the cod "is

considered to be outside safe biological limits". Stocks of North Sea haddock are also judged to be well below the "minimum biological acceptable level", as are several other commercially important types of fish.

Ideally, what is needed is a very deep, prolonged cut in fishing - even deeper than the 20 to 30 per cent the European Commission is calling for. This would allow the number of breeding adults to recover to a level where more fish could be

caught each year than are taken now.

But the problem with this is that the fishermen would want compensation for laying off - and the totals for a large proportion of them giving up for several years are enough to make taxpayers and Treasuries balk. Yet it is the fishermen who will be hurt most if the scientists prove right and the North Sea suffers ecological collapse.

If the quota-hoppers from Spain and The Netherlands, who now catch about a fifth of Britain's quotas under the Common Fisheries Policy, were to simply vanish, then that would

amount to the kind of cuts the European Commission is demanding.

But, of course, they won't and can't just disappear. They purchased licences and vessels in good faith from British fishermen who were willing to sell them as part of a free-trading European Union.

However high the Conservative and Labour Parties raise the stakes with talk of refusing to let the EU's crucial Inter-Governmental Conference negotiations conclude in June, the next government will find dealing with the quota-hoppers extremely difficult.

### THE HURRIED VOTER'S GUIDE

#### THE CAMPAIGN

#### KEY ARGUMENTS

#### GOOD DAY



#### BAD DAY



#### HOGWASH



#### ONE TO REMEMBER

John Gummer, Secretary of State for the Environment and a former fisheries minister, says he believes they are right and has demanded action, including more decommissioning.

Yet Britain has been among the worst laggards in the European Union in coming up with state funds to tempt fishermen to scrap their boats. Even so, about 600 out of 3,000 boats have been decommissioned here since the UK scheme started in 1992.

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#### THE OTHER PARTIES

The Scottish National Party were claiming victory in the argument that an independent Scotland could be self-supporting. They trumpeted new Treasury figures showing that the revenue from Scottish oil and gas could be as much as £22bn over the next six years.

#### MEDIA STAR



John Gummer, Secretary of State for the Environment and a former fisheries minister, says he believes they are right and has demanded action, including more decommissioning.

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The British National Party launched their manifesto, *Britain Reborn*. At its heart are two "very firm" pledges: (i) Future immigration of non-Whites must be stopped; (ii) Non-Whites already here must be repatriated or otherwise repelled overseas and Britain made once again a white country.

Lies Potts, the nursery teacher who shielded children from a man wielding a machete last summer, was back in the School, Wolverhampton. Although cameras were barred, Ms Potts was inevitably seized on by the media. While refusing to discuss how she would vote, she described Mr Blair as "lovely" and "really nice and friendly", while "Cherie is lovely and down-to-earth". The praise was mutual. "What Lies did

behaved with extraordinary courage".

Water  
life keep  
Clarke's  
spirits  
up in the  
hills

## Water of life keeps Clarke's spirits up in the hills

Tony Heath

In an attempt to stave off what looks like a Tory defeat in a highly marginal constituency, Kenneth Clarke yesterday put on one side his taste for a pint – usually accompanied by a small cigar – and downed a tot of Welsh whisky.

The Chancellor was visiting a distillery near Brecon in the heart of one of those tight three-way contests in an area where "independent" councillors are almost as thick on the ground as bitter-drinkers at closing time.

Jonathan Evans, something of a wet and, like Mr Clarke, keen on Europe, is defending a majority of 130.

The local office of bookmakers William Hill, thoughtfully located next to a wine merchant, and a stone's throw from the former laundrette which has been pressed into service as a Tory office, quoted Mr Evans at 3-1 with Labour's Chris Mann favourite 11-10 and the Liberal Democrats' Richard Livesey at 5-4.

Early in the day, the Chancellor lent a helping hand to Walter Sweeney who has the daunting task in the Vale of Glamorgan of defending a majority of 19, Britain's most marginal seat, Mr Clarke's visit to Welsh Distillers, was relaxed, even marginally convivial.

He padded round the distillery – he was wearing his trade mark suede Hush Puppies – and then settled down in a chapel-like room to watch an audio-visual history of Welsh whisky. It was narrated by a life-like plastic monk representing the reclusive who, it is said, first produced chwisi, the Celtic name for the fortifying spirit in AD356.

Then it was off to a splendid display of bottles and whisky nick-nacks – Birs and cork screws, bearing the company logo. A tape of "We'll Keep A Welcome in the Hillsides" played softly. All that was missing was Celtic, rather than



Scotch, mist. The talk became serious. "I'm not allowed to take a bottle into the chamber on budget day. My PPS pours a glass for me," Mr Clarke explained.

He spoke up for Britain

speaking up in the European Union. "We are serious about respecting things like the Social Chapter. The Labour Party's policy on Europe is anyone's guess," he said. A reminder to all to photograph bottles of chwisi!

frustrated because the labels rejected most of the pens presented by Mr Clarke's entourage. An omen, perhaps, for 1 May.

There is a political twist in the story. Distillation of chwisi

was begun in the mid-Wales town 23 years ago by Dafydd Gittins, who contested Brecon and Radnor in both the 1974 elections under the Plaid Cymru banner. His cow intends to vote Tory.

If I was a fisherman, I would be as concerned about the way some of it is working, as some of the fishermen I met last summer down here, those I met this morning and ... those I'll meet before Amsterdam and after it – John Major

We need your help to ensure that we win the next

### QUOTES OF THE DAY



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attached and return it with a donation in the envelope provided

Letter from Conservative Party Chairman Brian Mawhinney to Tom Jones, Labour leader of Swansea Council

I have no intention of waging war on any schools except failing schools – Tony Blair

There are many similarities in the kind of world they would both like to see begin to emerge – Labour candidate Glenda Jackson on Blair and Clinton

There's a complete difference. I transformed Britain into the most successful economy in Europe. He doesn't have to do anything – Baroness

Thatcher, asked about similarities between Blair and herself

When I've left politics I will not spend the rest of my life looking over my shoulder talking of the days when I was in politics – John Major

Compiled by Ben Summers

have the vision nor the compassion nor the future that the country needs."

The 21 steps include a nursery place for all four-year-olds, class sizes of under 30 for five-seven-year-olds, new targets for 11-year-olds in literacy and numeracy, modernised comprehensive with fast-tracking for bright pupils and expanded higher education with a fairer system of student finance.

"It this election is about anything," Mr Blair said. "It should be about education. To those who say where is Labour's passion for social justice, I say education is social justice."

And he claimed: "Education is liberty. Education is opportunity. Education is not just to how we as individuals succeed and prosper, but to the future of this country."

Mr Blair abandoned his prepared attacks on the Conservatives to deliver a speech which outlined 21 positive steps which a Labour government would take to improve education for the 21st century.

Urging voters to ignore the "tit-for-tat" of electoral politics, he said: "Focus on the future hopes of this country. Focus on how we can run this country for the many, not the few. Focus on what leadership really means and then conclude that unless we drive up education standards in this country we will neither

nor the future that the country needs."

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Other steps included tough new targets for head teachers, reforms of teacher training and a new scheme for getting rid of bad teachers. There would be more spending on education as the cost of unemployment fell, Mr Blair said.

He promised to lead a government that would end the constant vilification of teachers and value the profession.

Equally, it was intolerable for pupils to be saddled with teachers who could not teach.

Mr Blair said Labour would keep Conservative plans to add another 300 specialist schools to the existing 150 but would ensure the benefits were shared by all neighbouring schools.

Insisting that the scheme he envisaged was not an elitist proposal, he said specialist schools would offer their facilities, whether in music, science or languages, to all gifted children in an area. They would do

so both during the school week, after hours and at weekends.

Money is already in the Department for Education and Employment budget for an expansion of the specialist schools scheme, though, as *The Independent* revealed yesterday, the Conservatives want to earmark some of the funding to help achieve their target of a grammar school in every town.

Mr Blair promised not to close down the remaining 160 grammar schools. "I have no intention of waging war on any schools except failing schools. So far as the existing 160 grammar schools are concerned, as long as parent want them, they will stay."

Grammar-maintained schools will prosper. Church schools will too – they have been a key part of our education system for 100 years and long may they remain so. We will tackle what isn't working, not what is."

Despite his positive theme, the Labour leader took the opportunity to criticise Conservative plans to boost the number of grammar schools. The Tories had "fallen into the old trap", he claimed.

"It would mean secondary modern education for 80 per cent of pupils. It is the opposite of what is needed, turning the clock back when we need to turn it forward."

## Blair pledges 21-point plan for education

Judith Judd  
Education Editor

Tony Blair yesterday told his critics that he has a passion – and it is for education.

He used a speech at Birmingham University to answer attacks that new Labour has no passion for social justice by laying out his party's commitment to education.

"It this election is about anything," Mr Blair said. "It should be about education. To those who say where is Labour's passion for social justice, I say education is social justice."

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of the Labour Party and the spiteful reality of its policies.

Mr Blair had produced worthy sentiments but had "opposed, opposed, opposed" Tony education reforms. He was like the man who had thrown a brick through a window and turned up offering to act as a glazier.

Mr Blair had said he wanted the same choice for others as he wanted for his own children, the Prime Minister said, yet Labour had pledged to abolish grammar-maintained status.

Conservative strategists believe the attacks on Mr Blair's alleged hypocrisy are striking a chord with key floating voters in the Tory marginal seats.

Gillian Shephard, the Secretary of State for Education, said that she could not resist "a wry smile" at Labour's conversion to the cause of specialist schools. The party was "shot through" with hypocrisy, she

claimed. "You can't spend 18 years opposing all the things we have put in place to improve standards and then say that you want to raise standards." At least three-quarters of Labour's 21 points "towards a better educated Britain" were quite redundant because they were already happening, she added.

Paddy Ashdown, the Liberal Democrat leader, welcomed the "Tory and Labour leaders' pledges to put education first, but told ITN's lunchtime news: "Unless they are prepared to put the money in, those are merely words and words come cheap."

Labour's pledge to provide a nursery place for every four-year-old was already well on the way to being fulfilled, Mr Ashdown said. "What we need is nurseries for three- to five-year-olds. That can't be done without making a commitment of resources on that and they refuse to do so."

## Prime Minister goes on offensive over schooling

Colin Brown and Lucy Ward

Labour's education manifesto was attacked as a "shameless co-plot with hypocrisy" by the Prime Minister in an attempt to maintain the Tory momentum in the election.

Mr Major accused Tony Blair of taking a "patronising view" of poorer children who would be stopped from benefiting from the educational reforms which the Labour leader had taken advantage of for his own son, Euan. The personalised attack on Mr Blair's choice of a grant-maintained school outside Islington, his Labour-controlled London home borough, was made in spite of Mr Major's claims that he was not indulging in personal abuse.

Speaking in Plymouth, Mr Major said there was a "giant gulf" between the cosy facade



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THE INDEPENDENT  
election '97

# Lib Dems feeling 'chipper' as polls rise in marginals



Flying high: Lib-Dem leader Paddy Ashdown and an aide at work aboard his plane en route to Scotland

Barrie Clement

After weeks in the doldrums the Liberal Democrats are professing to feel 'chipper' about their electoral prospects.

Their private surveys show increasing support in key marginal constituencies and independent national polls are also nudging up in their favour.

But there is still some way to go before they reach the degree of support they attained in the last election. There is no hint as yet that the deep unpopularity of the Government has begun to rub off on the Liberal Democrats.

So while John Major and

Tony Blair are characterised as Punch and Judy by the Liberal Democrats, perhaps Paddy Ashdown may now be offered the role of Mr Micawber.

Mr Ashdown's aides believe that voters are becoming increasingly nauseated by the adversarial antics of the two other party leaders, and say that the change of tactics by the Labour leadership towards a more positive campaigning style is an indication of how disenchanted the electorate has become.

The increased support reflected by national surveys is unspectacular. Whereas their standings stood at around 12 per cent at the start of the campaign,

their support now seems to be at the 14 per cent mark.

At the last general election they picked up 18.3 per cent of the vote, although the result was comfortably higher than most polls.

Ironically, the party is relaxed about the defection of Tory voters straight to Labour in some constituencies because it could allow them through in the middle. Torbay in the West Country and Hazelgrove, near Manchester, are examples.

Privately, the Liberal Democrats' aspirations are modest. Currently with 26 MPs, some senior officials believe they will be doing reasonably

well to maintain that number. Some of the seats are disappearing because of boundary changes and two are held by defectors from the Conservative Party. But more optimistic apparatchiks believe a target of 30 to 35 is "credible." There are 50 target seats.

Geographically the Liberal Democrats are concentrating their resources on an even greater extent than the other parties. They are adamant that unlike their rivals they are not tailoring policies to suit any socio-economic group – the 70,000 members of Middle England in key marginals.

The Lib-Dems are portraying themselves as the one nation party bravely testing the social conscience of voters and challenging them to countenance a larger contribution to the Inland Revenue. These are policies that go down well with voters – or at least that is what people tell pollsters.

Party officials are taking comfort from their own canvassing returns which show the Liberal Democrats making steady progress. It is admitted, however, that electors often have to be reminded that it is not simply a toe-to-toe battle between Mr Major and Mr Blair before they register a preference for Mr Ashdown.

Photograph: John Voo

## Smooth Sinn Fein makes its poll pitch

David McKittrick  
Ireland correspondent

Sinn Fein yesterday presented a confident and even suave image to the world as they formally launched their election campaign with a prediction that they could win up to four of Northern Ireland's 18 seats.

Party president Gerry Adams and other candidates presented an almost debonair image as, dressed in sober dark suits and respectable ties, they made their pitch for votes in a converted Belfast linen mill.

Mr Adams declared: "We are an Irish republican party. We are for an end to British rule in our country. We are for a permanent peace settlement based on accommodation and agreement. If we get our message across we can get up to four seats."

IRA incidents such as last week's attempted murder of a woman RUC officer and the disruption of the Grand National at Aintree have had no discernible impact on Sinn Fein's support. Many of their voters have been supporting them steadily since the early 1980s and do not recoil from IRA violence.

Few observers believe they can take the four seats mentioned, for North Belfast looks safe for the Ulster Unionists and



### Tory leaflet withdrawn

A Tory candidate was yesterday forced to withdraw a campaign leaflet with the slogan "Sinn Fein wants you to vote New Labour" – which had been printed by Tory headquarters in London. Peter Scrope, a former Army officer and challenger for the Labour-held seat of Darlington, apologised for the leaflet which, he said, "oversimplified" the issues, and Conservative Central Office disowned it as a "local freelance operation".

West Tyrone will turn on an unpredictable three-way split between three candidates in a new constituency. But most observers consider that Mr Adams

and Martin McGuinness are favourites to take West Belfast and Mid-Ulster.

Mr McGuinness yesterday spelled out the republican assumption that, despite whatever IRA violence may lie ahead, a new peace process will be rebuilt following the British and Irish general elections. He said: "People's imagination has been caught by the impact of the Hume-Adams agreement. The reception we are getting on the doorsteps is absolutely powerful."

"People know in their heart and soul that whenever these elections are out of the road, both governments are going to have to return to the template that has been put into motion by John Hume and Gerry Adams. Most think there's going to be a new British government and a new opportunity for peace."

Sinn Fein candidates said voters were critical of Mr Hume's Social Democratic and Labour party because it had refused to contemplate an electoral pact between the two parties. The SDLP has said it would not consider a pact while IRA violence continued. Sinn Fein's candidate in West Tyrone, Pat Doherty, said nationalists there were demanding a pact.

"The anger on the anger on the door-step is unbelievable."

### Marsh quits as Lib-Dem candidate after charge

The former boxer Terry Marsh is to stand down as prospective Liberal Democrat parliamentary candidate for Basildon in Essex after being charged by police.

Scotland Yard has confirmed that Mr Marsh, 37, will appear before Thames magistrates on 20 May, accused of obtaining property and a service by deception.

The charges relate to tuition fees and a grant application made by him while a student between the dates of May 1995 and December 1996. Mr Marsh said last night: "I will be vigorously defending the action."

### Pollsters' key poll challenge

Polling companies are being challenged to put their money where their mouths are with donations to charity tied to how close they are to the election result. John Timpson, head of the Timpson key-cutting and shoe repair chain, is writing to bosses of the leading pollsters asking them to match his offer of £100 per percentage point difference between their final polls and the result.

The company has been running a "key poll" among customers at its 325 shops across Britain, asking them to choose coloured key cars matching the party they intend to vote for. Yesterday, for the third week running, the poll gave Labour a 5-point lead, against the average 18-point lead in conventional opinion polls. Mr Timpson is donating £1 per "key vote" cast to Centrepoint, the youth homeless charity. John Rentoul

### Monster ravers on right path

The Official Monster Raving Loony Party has the best policies on public access in the countryside, officials from local councils across Britain insisted yesterday. The party's suggestion of using "non-violent" prisoners to repair thousands of blocked public footpaths "was more credible, realistic and sincere than the often patronising platitudes of the 'sensible' politicians", said the Institute of Public Rights of Way Officers. Nicholas Schoon

### HOW I WILL VOTE: BERNARD MANNING

## Sleaze is no laughing matter but nor is it overly worrying



How will you vote?  
Conservative.

I've been through a lot. We're part of the greatest country in the world. Everybody wants to live here – nobody starves.

I'm not overly worried by the sleaze. It was bound to happen. That sort of thing goes on in all types of life. As long as a man can do his job, it doesn't matter what goes on behind closed doors.

What issues are important to you?  
Education – people leaving school with brains, knowing what

they want to do. Also family life – where brothers and sisters, mums and dads look after each other. Good housing is also crucial, with a little bit of money to spare to have some fun at the end of the week. I don't want to see everybody going into debt. We were brought up under the idea that if you couldn't afford it, you did without. I don't approve of credit cards and hire-purchase. We couldn't afford vacuum cleaners in the old days – we used to sweep the floor with brush. We couldn't afford washing machines. There's no one who matches up to the likes of Win-

wash houses. The Manning family motto: "What you can't afford, you do without".

Which politicians do you admire?

I used to like Aneurin Bevan – I thought he was a marvellous orator. Also Winston Churchill, Mrs Thatcher and Harold Wilson. I've entertained many of these great politicians in my past: London Hilton with Harold Wilson, Wembley Stadium with Mrs Thatcher. They all had good policies – like religions. There's no one who matches up to the likes of Win-

ston Churchill; he was a hard act to follow. These days they all toe the party line. I rather like John Redwood: I think he talks a lot of sense and knows what he's about. I very much identify with the right wing of the Conservative party. You only have to think about socialism and Russia – Mr Gorbachev would tell you about that. There's no place in the world for socialism; it's gone.

through the war, singing in the air-raid shelters; I know what the British people are like. When they bombed Manchester and London – I remember how good we were. Little old Britain stuck out against great odds. We won because of the conservative mentality that we had. If Labour do get in, would you consider leaving the country?

No, I wouldn't. The Labour party aren't going to be in power for long. They will be voted out very quickly.

Interview by Sam Coates

• The Labour Party aren't going to be in power for long. They will be voted out very quickly.

# Mud flies as parties swap tit for tat

Anthony Bewins  
and Fran Abrams

The election campaign hit new peaks of personal abuse with John Major and Tony Blair trading blows over the negative attacks each party has been making against the other.

The Labour leader told BBC Radio 4's *World at One* programme: "There are two election campaigns going on here, in my view. There's the sort of

tit-for-tat one, you know, the Conservatives knock us, we do some knocking back, and all the rest of it. There's a wholly negative campaign, I may say, being run by them."

"What we have to do is address the other election campaign, and that is on the issues, the things that really matter to people - schools, hospitals, law and order, jobs, industry, pensions, crime."

When it was pointed out

that Labour had yesterday issued three briefing notes all attacking government policies, the Labour leader said: "Well, of course we've got to draw attention to them record."

Mr Blair said that he wanted to lift the campaign above the "ding-dong-battle" that was turning off the voters. But yesterday's Labour press notices were headed: "Failing the test: The Tories' record on education"; "Tory broken promises on defence stabil-

ity"; "Tories can only get better. A briefing note on Conservative fishing failures."

At Labour's daily press conference, Gordon Brown, the shadow Chancellor, struggled to explain the difference between the party's positive aspiration and the negative notices.

"We will fight the election on the positive issues," he said. "We will fight on education, on health, on law and order." But he then added, confusingly:

"We will not refrain from drawing attention to the Conservative record."

Meanwhile, over at the Liberal Democrats' base, their leader Paddy Ashdown was making an impassioned plea for a fairer, more mature election - after he had claimed that Mr Major's approach to Europe was "fatuos and futile."

Mr Major said in an interview with BBC Radio 5 Live: "This is a rough, tough campaign. No

politician in it, if he is in the front rank of politics, can be an icon who is above criticism.

"Whenever the Labour Party are criticised they seem to think that in some curious fashion it is unfair. The Labour Party have been subjecting the Conservative government and individual Conservative members to the most scurrilous criticism day after day over the past two years, yet they shrink away whenever there is any criticism

of them as though it was unfair.

"Politics is a tough trade. As

someone once memorably said

"If you can't stand the heat,

don't get in the kitchen."

But the row was stepped up

last night by Peter Mandelson,

Labour's campaign manager,

who told Sky News: "We've not

had a speech, we've not had a

press conference, we've not had an interview, or an utterance by

the leadership of the Conserva-

tive Party that has not thrown

some mud at the Labour Party, that has not hurled some piece of personal abuse at Tony Blair in particular.

This evening, the Prime Minister is making a speech. 17

pages of a speech, and it does

not contain a positive idea or an

ounce of vision about Britain's

future. It is just negative, nega-

tive, negative mud-slinging and

abuse and back-biting directed

at the Labour Party. Now this is

the politics of the gutter."

## The invisible politician revealing a novel route to success

Randeep Ramesh

There are few politicians who shun publicity. There are even fewer who do so and are successful. Andrew Smith, Labour's transport spokesman, who is almost allergic to generating headlines, falls heavily into the latter category.

A fairly Blairey politician, Mr Smith was brought in last summer to lower the profile of Labour's transport post - which had suffered an indecent amount of exposure under Clare Short, the populist Labour MP for Ladywood.

Mr Smith had produced spectacular results. In a poll of 1,000 people earlier this year, 6 per cent recognised the road protestor Swampy, 3 per cent recognised the Secretary of State for Transport, George Young - and not one could identify Andrew Smith.

However, the cloak of anonymity was cast from the 40-year-old last week after his leader's admission that some publicly-owned concerns would have to be privatised to meet the Conservatives', and hence Labour's, spending plans.

The problem for Mr Smith is that he had made a rare passionate plea at last October's Labour Party conference against privatisation.

"They (the Conservatives) want to flog off the National Air Traffic Service... Labour will do everything we can to block this

sell-off. Our air is not for sale," he told delegates.

Mr Smith's brush with fame has done him little harm. He remains part of Peter Mandelson's "key campaign" group - a squad of New Labourites which targets swingable seats and is virtually assured a place at Tony Blair's Cabinet table.

The burst of publicity is also

unlikely to affect his prospects in his constituency. The fate of the country's air traffic control system is not on voters' minds in Oxford East.

On the doorstep, the Labour candidate is taxed on Europe, on education, on health. The Big Issues. And in each instance he trots out the standard spiel:

"The Tories are a divided party lacking leadership... we will cut class sizes to 30 or under for young children... it is the burgeoning bureaucracy that is so wasteful in the National Health Service..."

The best question comes from a lad who's pushing his mate into a hedge: "Oi, is it true what my mum says that Labour will make me do my homework and lock me up at home at night?" he shouts. The question about Labour's much-vaunted law-and-order policy from a Blair administration, hangs in the air for a second or two before the tyke's mates realise how useful such an act might be.

"Tony Blair, Tony Blair, Tony Blair!" they all chant.

Mr Smith is well known, it is

Oxford East. A former councillor, he has been the MP since 1986 when he unseated a future minister, Steve Norris, by upping Labour's vote by 20 per cent. The voters are far from the dreaming spires of Oxford (Mr Smith attended St John's

College), and the constituency is populated by car workers from Rover's Cowley complex, students and ethnic minorities.

Oxford East, geographically, should be typically Tory territory. Hemmed-in by the constituencies of Douglas Hurd, Michael Heseltine and John Patten, it was a seat tra-

ditionally held by Tory grandees such as Lord Hailsham.

Today there is something faintly surreal about the Conservative candidate. He is

plunging into a sea of humanity - pressing flesh, touching shoulders and being shooed about by an old lady.

"Look at him, I bet the

last old lady he helped across the road was his mother," she shouts.

"See you in five years, love when you next need my vote."

Jon Danogly, the fresh-faced Tory candidate, is pretending he cannot hear. For Mr Danogly (proclaimed by himself as "Ja-nee-lee, and by the voters as "D'jungly", "Ginola" or "Ge-

ology") no obstacle is so large that it cannot be overcome.

The 31-year-old City solicitor is nonplussed that the seat is solidly Labour (with an 8,000 majority) and there is not even a Tory city councillor.

"Voters in Oxford are a clever bunch - too clever by half," he grins.

He is also unimpressed when

the seat is described as "predominantly well-to-do working class, and might not take too kindly to a public school-educated young upstart".

"The voting roll has changed by 50 per cent since the last election," he challenges. "So I don't think you can say what voters are going to do."

## Charter 88 campaigns to let public grill candidates

Kim Sengupta

Charter 88, the constitutional reform pressure group, yesterday launched its "Democracy Day" campaign, in which voters get a chance to question parliamentary candidates at the largest public forum of its kind in a general election campaign.

The meetings will be held at 200 constituencies in England, Scotland and Wales on 22 April. Most sitting MPs and PPCs have indicated they will attend.

The emphasis of the debate is due to be the allegations of sleaze hanging over the poll on 1 May, and questions of electoral reform and devolution.

At Tatton, in Cheshire, television journalist Martin Bell, standing on an independent anti-sleaze ticket, has agreed to

take part. Charter 88 officials say they are awaiting a response either from Neil Hamilton, the MP at the centre of the "cash for questions" scandal, or from his wife Christine.

Charter 88, which started nine years ago, has attracted 70,000 signatories in its attempts to get a freedom of information act, as well as proportional representation.

Andrew Puddephatt, the director, said yesterday: "Trust us, we have become this election's slogan. But how can we trust politicians when they don't trust us?"

"We don't have a right to know, or legal protection for our rights, and our centralised system of government means we don't have a say in what happens to our local communities.

"Trust is a two-way process: only through reforming our system of government to make it open and accountable can politicians earn our trust."

Canco Kenyon Wright, the executive chair of the Scottish Constitutional Convention, said: "This is about changing the system for good. It is about how we are governed, not just about who holds power, but about the very shape of our democracy."

"In Scotland the fact is transparent and paramount. I welcome the fact that Charter 88 plans 'Democracy Day' meetings in at least 28 key constituencies in Scotland."

Canon Wright said he would press a Labour government, if it gets into power, to let the Scottish Constitutional Convention have a full say in

organising any referendum. Charter 88 supporters from the world of showbusiness attended yesterday's launch, including actor David Swift, from the television series *Drop the Dead Donkey*, actors Timothy West, and Eric Richard, Sergeant Bob Carty from the police series *The Bill*, as well as musicians Billy Bragg, and Dodgy.

Swift said: "I was taught that this was the finest parliamentary system in the world. But that simply is not true. Members of parliament should be much more accountable."

"I haven't renewed my subscription to the Labour Party," said Billy Bragg. "To me, socialism means simple things, like providing adequate education and health care. We also need to empower local people".

## MEDIA WATCH

### Long campaign forces viewers to switch off

Paul McCann  
Media Correspondent

Tony Blair and Baroness Thatcher's worries about the long election campaign turning people off is reflected in poor viewing figures for news programmes on television and slipping newspaper sales.

The *Nine O'clock News*, which was blamed at the weekend by Mr Blair for boring the electorate with tit-for-tat election coverage, has been hardest hit by election apathy.

The BBC's flagship news programme's viewing figures jumbed by nearly 2 million from an average of 6.1 million to about 4 million since it increased its length by 25 minutes to give more election coverage on 2 April.

The Corporation is powerless to improve its news ratings because it feels it has a duty to inform the public during the election. "Our public service obligation is part of the democratic process," said BBC News spokesman Richard Peel. "We are giving people information to help them make a choice."

Mr Peel believes that the phoney campaign before the election was called has put people off, but expects interest to recover closer to polling day.

*News at Ten* has lost about 600,000 viewers from its 6 million average, but its programme has not been extended.

*Channel 4 News* and *Newsnight* seem to have an in-built constituency of political addicts and their viewing has fallen by much smaller amounts. *Newsnight* is down 100,000 to 1 million and *Channel 4 News* is down 40,000 to 700,000.

Newspapers are doing no

better. In the official Audit Bureau of Circulation figures for March only one daily newspaper saw its sales rise significantly compared with February - *The Sun* - while the rest largely stood still. The figures are flat because sales started to fall almost as soon as the election was called in the middle of the month.

The latest estimated sales figures available are for the first two weeks of April. These show that since the election was called the quality press has seen its sales fall by an estimated 55,000 a day or 2.2 per cent.

The tabloid mass-market and mid-market papers have fared better, but have still lost an estimated 106,000 sales a day, or 0.9 per cent of the market.

The figures are particularly damning because newspapers expect to do well out of a general election and see their sales go in the other direction. Some industry insiders hope that once people return to work after the Easter holidays sales will start to climb.

The Labour Party will use a three-year-old bulldog called Fritz to play the patriotic card in tonight's party election broadcast. The dog is seen at the beginning of broadcast and worn out after 18 years of Tory government.

After listening to Tony Blair talk about his plans for the country intercut with scenes of Mr Blair with President Bill Clinton and President Nelson Mandela, the dog wakes up. Eventually it is straining at the leash and breaks free so it can run towards the rosy-coloured future that is a Labour government.



Charter 88's Andrew Puddephatt. Photograph: John Voss

## AROUND THE REGIONS

### Car-park fees could tip fate of Monmouth

Roger Evans, the Tory sitting member, and Labour's Huw Edwards are having their third head-to-head election battle in the last six years in Monmouth.

Mr Edwards won the seat for Labour in 1991, in a by-election brought about by the death of Tory MP Sir John Stradling Thomas, but Mr Evans won it back for the Conservatives in the 1992 general election. Other candidates are Liberal Democrat Mark Williams, Plaid Cymru's Alan Cotton and Niall Warry for the Referendum Party.

With a Conservative majority of 3,204, this is the 10th most marginal seat in Wales, and one that Labour could have realistic hopes of recapturing - it's

through by the county council," said one Labour member who has resigned over the issue. "I will not be voting Labour again," he said.

Mr Evans and Mr Williams have campaigned quite strongly on this issue and have pressed Mr Edwards for a public statement on where he stands. The Labour candidate appears to be trying to distance himself from the issue by keeping quiet, while targeting another local issue to his advantage. This is a proposal by the Benefits Agency to close 58 offices in Wales, one

of which is in Abergavenny and Roger Evans, as a Social Security minister, is being targeted as the person responsible for the proposal.

The Monmouth constituency is a mainly rural area, known as the "Gateway to Wales", but it is anyone's guess where the influential farming vote will go - if anywhere. "Some farmers are so disillusioned that they won't vote at all," David Maddocks, Monmouthshire National Farmers' Union county chairman, said. "A large number think there is a total lack of

understanding of the industry by politicians across the board." Both Liberal Democrats and Labour are wooing the farming vote at Abergavenny constituency in recent weeks, but according to Neil Smith, Gwent development officer for the Farmers' Union of Wales, "apathy is safe". In his opinion, this could get Labour in, if traditional Tory voters among the farmers could not bring themselves to vote for any other party. "After all, the Tories have done no favours for farming over the last four years and farmers have traditionally fared better under a Socialist government," he said.

Across the border in Brecon and Radnorshire, the Welsh Office minister Jonathan Evans has not convinced the voters, it seems likely that Mr Llewellyn will regain the seat.

Jeff Morris  
Abergavenny Chronicle

# Clinton to talk with thorn in China's side

Mary Dejevsky  
Washington

President Bill Clinton has agreed to meet the leader of Hong Kong's democracy movement, Martin Lee, later this week in a decision widely seen as signalling US support for the continuation of political freedom in the colony after the end of British rule. But arrangements for the meeting have been fudged to make the occasion less than a full presidential reception for Mr Lee, a diplomatic compromise that illustrates the sensitivity of the Hong Kong issue for the Clinton administration.

According to White House spokesman Mike McCurry, Mr Lee has been invited for "talks" with Vice-President Al Gore on Friday. Mr Clinton will attend a portion of that meeting. In Mr McCurry's words, "the President will be interested in his thoughts on the transition that will occur in Hong Kong".

Although Mr Lee has enjoyed a high level of access while in Washington, including meetings with the Secretary of State, Madeleine Albright, and senior members of Congress, a White House meeting had hung in the balance. The invitation means he must amend his schedule to return to the US capital on Friday, rather than fly home to Hong Kong direct from Canada.

While the form of the White House meeting is a little less than Mr Lee and his vocal supporters in Washington might have hoped for, they will find a sweet irony in the fact that Mr Lee's official host at the White House will be Vice-President Gore. Mr Gore came in for strong criticism last month for omitting Hong Kong from his Asian itinerary and for "kowtowing" to the Chinese.



Martin Lee: High level of access

## US 'sensitive' over welcome for HK democracy leader

Eyebrows were raised by one episode in particular: Mr Gore's participation in a champagne toast presided over by the Chinese prime minister, Li Peng, to seal a deal with the US Boeing Corporation. Mr Gore appeared surprised and embarrassed by the toast, prompting suggestions that it had been sprung on him by the more diplomatically adept Chinese.

Mr Gore's conduct and statements during his Asia trip were contrasted in Washington with those of the Republican Speaker of the House of Representatives, Newt Gingrich, who visited the region shortly afterwards. Mr Gingrich made a point of emphasising US human rights concerns while in China, attended an Easter church service in Shanghai and

included Taiwan and Hong Kong in his route without apparently incurring the explicit wrath of the Chinese.

With less than three months remaining until the Chinese takeover, Hong Kong is becoming almost as delicate a subject for US foreign policy as Taiwan. It is fraught with the same difficulties of balancing trade considerations against the principles of political freedom and human rights, with the added complication that relations with Britain are also involved.

Until recently, official policy appeared to be to remain on the sidelines and "wait and see". Increasingly vocal criticism of the administration's silence, however, especially after Peking said it wanted to limit freedom of political activity in Hong Kong after the handover, may have contributed to Mr Clinton's decision to meet Mr Lee.

As if to drive home the point, the governor of Hong Kong, Chris Patten, contributed an article to yesterday's *New York Times* commenting, more in sadness than anger, on China's apparent desire to limit free speech in Hong Kong.

Results of a poll published in Hong Kong yesterday suggest that the popularity of Hong Kong's future leader, Tung Chee-hwa, has dipped over his proposed curbs on civil rights. A telephone survey commissioned by the *South China Morning Post* showed Tung had lost some public support after his office last week issued a plan to curb the right to demonstrate and ban foreign funding of Hong Kong political groups. More than 45 percent of 586 respondents said they had "less trust" in Tung safeguarding Hong Kong's interests than when he was appointed as leader-designate by a China-backed committee in December.



Sign of the times: Bill Farrell sitting behind the placard which he hopes will ward off the robbers. Photograph: AP

## Desperate homeowner hopes burglars get his message

Santa Ana (AP) — Bill Farrell has a message for burglars who have struck his home three times in the past four months. "QUIT ROBBING ME," says a sign on his front lawn. "ALL GONE".

They've taken his computer, a couple of VCRs, tools, watches and other property, worth about \$20,000 (£12,000). A shrewd Rottweiler didn't scare away the burglars — the dog was stolen too.

Somebody even made off with the

business card of a police officer who investigated one of the first burglaries.

Hence the sign. "Maybe it'll do some good, if [burglars] can read," said Mr Farrell, 51. "It was the only thing I could think of doing — just let them know there's really nothing left to steal."

Police have no suspects, but Farrell

said he thinks gang members in the neighbourhood may be responsible. He

has started sleeping with a gun, takes

his remaining VCR with him when he goes out and rents a storage unit to stash other items.

"I'm afraid to leave my house, because I never know what I'm going to come home to. You don't know what these guys are going to do." He has also installed bars on his windows and is putting in steel doors, new locks and motion-activated lights. "All you can do is move or live in a prison," he said.

## Attorney-General under fire over fund-raising inquiry

Mary Dejevsky  
Washington

The United States Attorney-General, Janet Reno, came under political fire yesterday after refusing to appoint an independent lawyer to investigate the questionable fundraising by the Democratic Party during last year's presidential election campaign.

In resisting Republican calls for such an appointment, Ms Reno now risks coming under investigation herself.

In a weekend television interview, the Republican Speaker of the House of Representatives, Newt Gingrich, warned that if Ms Reno decided not to appoint a "special counsel", he would press for her conduct to be scrutinised by the House of Representatives. It is alleged that the Federal Bureau

of Investigation, which comes under her aegis, failed to inform the White House that mainland Chinese interests intended to contribute illegally to the Democratic campaign.

Mr Gingrich, argued forcefully for the appointment of a special counsel. Referring to the alleged "Chinese connection", he said that, if proved, it would be "the most extraordinary act of systematically violating American law ... a specific effort to raise enormous sums of money illegally involving foreigners". It is against the law for foreign nationals to contribute to campaign funds in the US.

Mr Gingrich's call for Ms Reno to be investigated was echoed by Dick Armey, leader of the Republican majority in the House of Representatives, who said that Ms Reno should resign

rather than continue to associate her position with that of a "scandal-ridden" administration.

Ms Reno has argued that the

Justice Department is already in-

vestigating Democratic Party

fundraising and that special con-

gressional hearings on the same

subject are already in progress.

Her refusal even to start the pro-

cedures that would lead to the ap-

pointment of an independent law-

yer, however, has fuelled suspi-

cions that political consid-

erations are involved and that an

attempt is being made to shield

the President.

Two separate issues are in-

volved: first, whether foreign in-

terests made contributions to

Democratic Party campaign

funds; second, whether Bill Clinton, Hillary Clinton and mem-

bers of their entourage may

have solicited campaign contri-

butions from the White House,

against rules barring party

fundraising from supposedly

neutral presidential territory.

The resurgence yesterday of

the party funding issue coincided

with the return to centre stage

of another simmering Clinton

scandal, the Whitewater land

deal in Arkansas. A court in Lit-

tle Rock was due to sentence a

business associate of the Clinton

sons, Jim McDougal, architect

of the Whitewater deal on 18

counts of fraud and conspiracy.

While the charges could attract

a total sentence of 84 years in

prison, Mr McDougal was ex-

pected to come off much more

lightly in return for co-operat-

ing with investigators. The

lighter the sentence, it was specu-

lated yesterday, the greater his

co-operation — and the greater

the danger to the Clintons.

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# Families plead for 'forgotten' hostages

The kidnapping of two Britons in Kashmir in 1995 has left few clues

Jan McGirk  
New Delhi

Desperate to find out the fate of the British backpackers who were kidnapped at gunpoint by militant Muslim gunmen in Kashmir 21 months ago, the hostages' families returned to India to appeal for their release yesterday.

They will meet with politicians and diplomats in both New Delhi and Islamabad, and also ask hikers who live near the Himalayan trekking routes where the men were abducted to come forward with any clues. Police sources in Srinagar said that hardened Westerners had been sighted in the area a fortnight ago by locals, but it has been 16 months since the last official contact with captives Keith Mangan and Paul Wells.

An American and a German tourist are also still missing. Norwegian Hans Ostro, who was kidnapped just a month after the kidnapping, was found on trail, with the kidnappers' group name, Al Faran, carved on his belly in August 1995.

The families will circulate pamphlets in Urdu describing the plight of hostages and appeal for their release on humanitarian grounds. For the first time, the families will visit Jammu and seek the help of prominent Kashmiris who may have in-



fluence with the kidnappers. "We must speak with Harakat ul Ansar this time," Julie Mangan, Keith's wife, said. Al Faran is suspected to be a breakaway faction of Harakat ul Ansar, a more established separatist group which held two other British tourists hostage for over three weeks in 1994. They have denied the link and have denounced the kidnapping.

Mrs Mangan, 35, believes her husband, Keith, is alive and intends to pry out any snippet of information which might lead to the missing electrician, who grew up in Middlesbrough.

During a previous visit to the area last October, she said very little useful information was gathered. "People tell us what

they think we want to hear, but we just want the truth," Mrs Mangan said. "But even if it's second-hand information, we want the authorities to check it out. If God forbid, they are dead, we want to know." This is her third visit to India since her anniversary trip to the Taj Mahal was curtailed by the gunmen.

Many officials fear the captives were executed in Decem-

ber 1995, but there is no hard evidence. Negotiations with the kidnappers broke down soon after and have not resumed. A rumoured burial site was dug up last year by German commandos, American Federal Bureau of Investigation agents, and Scotland Yard experts, following the confession of a captured militant. No bodies were uncovered, however.

The families, anxious to bring their predicament to the attention of new political leaders in Srinagar, New Delhi, and Islamabad, want to press their campaign for new information

Hostages taken by Al-Fara include Britons Paul Wells and Keith Mangan (clockwise, second and fourth from top left). Catherine Mangan, Bob Wells and Julie Mangan (left to right) in New Delhi. Photographs: AP/Reuters

before snow melts in the high mountain passes. They believe their best chance to find the hostages is in the more accessible lower valleys, if they are still living.

Bob Wells, father of Paul Wells, is as grim-faced as Catherine Mangan, 27, the girlfriend of the missing photography student from Nottingham. "We have been kept in an agonising situation," he said. "Any information, old or new, will help." The group was delayed by an air controllers' strike in India, and is trying to make up lost time.

Mrs Mangan's cousin, James Bowman, is a former law student who has organised a fundraising and support campaign in northern England and is also accompanying the group.

## Coalition edges out Tudjman in city elections

Mark Heinrich  
Reuter

Zagreb — An opposition coalition edged President Franjo Tudjman's nationalist party in key elections for the city assembly of the Croatian capital Zagreb, according to a final unofficial count announced yesterday.

The disclosure reversed the one of finish reported by the



Tudjman: Condemned by West

site electoral commission a few hours before, in which it said the ruling HDZ had beaten the allied Social Democrats (SDP) and Social Liberals (HSLS) by a razor-thin margin.

Site electoral commission chairman Ivan Mrkonjic announced the SDP had finished with 24.18 per cent and HSLS with 12.58 per cent in Sunday's election for a combined 36.76

percent while the HDZ tallied 35.67. This did not necessarily mean the opposition would take over the powerful Zagreb regional government, as the HDZ was the biggest single vote-getter and its rivals fell short of a viable majority.

With the result so close, any change of power looked fraught with problems in a country where effective one-party rule with a democratic veneer has prevailed for decades, by communists until 1990 and by nationalists since then.

The SDP and HSLS led a seven-party bloc to victory over the HDZ in Zagreb's 1995 municipal elections. But Mr Tudjman vetoed four opposition mayoral nominees on "national security" grounds.

The President's manoeuvre was condemned in the West. Mr Tudjman argued the HDZ had won a "relative majority" while the opposition was an unstable mishmash of parties ranging from far-left to far-right.

Former rebel Serbs took part in a Croatian election for the first time but voting in the enclave of Eastern Slavonia was delayed by technical glitches.

Serbs in Eastern Slavonia, which is to be reintegrated into Croatia this summer after a period under UN protection, got an extra day to vote on Monday to compensate for organisational bungling.

## Navy joins major Asian exercise

Christopher Bellamy  
Defence Correspondent

A British aircraft carrier and a nuclear submarine are at the centre of the largest ever naval exercise off the coast of Malaysia, in the pirate-infested, internationally disputed waters of south-east Asia.

The 3-day exercise, code-named Flying Fish 97, involving 39 warships and 160 combat aircraft, is the most ambitious in the history of the Five Power Defence Agreement (FPDA), the region's only multi-national defence pact involving powers from outside the area.

The pact involves five Commonwealth states. Three outside powers — Britain, Australia and New Zealand — are required to consult on the defence of Singapore and Malaysia.

The region is seen as one of the world's major potential flashpoints. The exercise is taking place only a few hundred miles from the Spratly Islands, variously claimed by China, Taiwan, Vietnam, the Philippines, Malaysia and Brunei. Malaysia is reducing its defence spending, in spite of its booming "tiger" economy, but

takes the possibility of conflict with China over the islands very seriously.

Britain is contributing 3,000 sailors and 10 ships, including the aircraft carrier HMS *Illustrious*, a nuclear-powered submarine, HMS *Trenchant*, an anti-aircraft destroyer, HMS *Gloucester*, two anti-submarine frigates, HMS *Beaver* and HMS *Richmond*, and two support ships, Royal Fleet Auxiliaries HMS *Fort George* and HMS *Diligence*.

The British naval force left home in January as part of Ocean Wave 97 — a major naval deployment which is visiting 34 countries, with the aim of demonstrating that Britain continues to have security interests in the region after Hong Kong is handed back to China on 1 July. Navy sources said Flying Fish comprised two five-day stages which would put progressively greater pressure on the ships, including submarine and air attacks.

But it would take account of the different environment in the shallow waters off the east coast of Malaysia, about 100 miles north of Singapore, with large numbers of fast patrol boats and missile attack craft.

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# The place that peace passed by

Grim-faced soldiers patrol Korea's bleak no-man's land, but talks this week could end 40 years of confrontation, writes Andrew Marshall

Panmunjom — The thing that strikes you first about Korea's De-Militarised Zone is considering it's demilitarised, there seem to be a hell of a lot of soldiers around.

This is a place where war stopped but where peace never came. The Korean war finished in 1953 without a peace treaty, leaving a line across the peninsula and a 4,000-metre-wide strip of territory that is supposed to be demilitarised.

This week, a meeting takes place in New York that might bring this Cold War anomaly to an end. North Korea will respond on Wednesday to proposals for talks between North and South Korea, the United States and China that might end in a peace agreement. Until that happens, the DMZ and Panmunjom, the "truce village" where the Military Armistice Commission is supposed to meet, is all that there is.

The closer you get to the truce village, the more serious the soldiers look: not the amiable Republic of Korea national servicemen carrying automatic rifles with no magazines, nor the genial uniformed Americans who read the news on Armed Forces television, but hard-faced men with a look of intense concentration.

The slogans on the camp signs have that curious military mixture of bravado and fear: "1st Battalion 506 Infantry Stands Alone", that sort of thing. And at Camp Bonifas, where the United Nations troops are based: "UN Command Security Battalion — In Front Of Them All".

This has become the unlikely tourist attraction in Asia, with all modern conveniences.

There is what the Americans would call a dog-and-pony show to demonstrate and explain everything before the guided tour gets under way. A US soldier whips through a slide lecture, maps, pictures, diagrams, tourists and VIPs trundle through the DMZ in limousines and coaches, from this guard post to that control point. Af-

terwards, souvenirs can be bought from a shop that sells mugs, cigarettes, ginseng, and ties from Pierre Balmain and Nina Ricci. This is geopolitics as entertainment.

Though it is, of course, much more deadly serious than entertainment. People get killed here from time to time. The most recent exchange of gunfire was last week, when the US Defense Secretary was taking the obligatory tour. It was a reminder that there is a vast amount of hardware arrayed here, not just tanks and guns but a million men on either side under arms, aircraft, ships, missiles, and nuclear weapons.

The intensity of the experience is greater than that of the old Berlin Wall, somehow: these two countries fought a war in which 2 million people died in living memory. There is little contact, no Hans-Dietrich Genscher or Franz-Josef Strauss to bridge the gap, and Seoul's "Nordpolitik" has never attained the depth of Germany's "Ostpolitik".

This is total ideological confrontation, the realisation of what one Korean academic calls the "division system".

The heart of Panmunjom is a building in the main compound where meetings between the two sides were supposed to take place under the Military Armistice Commission. They broke down some years ago, though lower-level meetings still happen periodically. But the meeting room is still there, faded green bistro on the table, aging microphones propped up on it and hanging from the ceiling, the translators' booths empty.

The Military Demarcation Line is marked with rusty iron panels — 1,292 of them, stretching from here to the sea on the other side of the peninsula, 240km away. A few magpies flitter through the misty air of the DMZ, but apart from that nothing moves. Everything is under constant surveillance: it is probably no exaggeration to say that every square metre is known to both sides, observed



Standoff: A North Korean soldier (background), just behind the demarcation line, facing his southern counterpart in the truce village of Panmunjom. Photograph: Reuters

24-hours a day. Men sit in guard posts with binoculars, constantly watching from behind reflective glass, seeing but not seen.

There is a lot of willy-measuring going on across the DMZ. The South Koreans put up a huge flag; so the North Koreans responded with an impossibly large one, 272kg in weight, so heavy that it has to be taken

down so that it does not tear itself to bits. It is 31 metres in length. Statistics of this kind are quoted with mind-numbing regularity. It flies from a garrulous mast erected with the sole purpose of topping the South Korean one. The South Koreans have built a village, the Freedom Village, in the DMZ. So have the North Koreans, which the South calls the Propaganda Village. And vice-versa, doubtless.

Across this wasteland, the hills are alive with the sound of music, propaganda songs which drift eerily across the empty space. On a distant slope, the North Koreans have erected a message in vast letters: "Follow the Leading Star", a reference to Kim Jong Il, the North Korean leader referred to as a psychotic in the South and the Dear Leader in the North. The South Koreans have put up their own

sign, which reads: "Come to the Comfortable Country".

The whole performance around the DMZ is highly stylised, ritualised even. If there is any meaning to any of this it becomes difficult, after a while, to say what it is.

There is a sense of meaning collapsing into itself, symbolising so dense that it cannot support itself, a kind of black hole. On both sides, the years of confrontation have fossilised, turning everything into an empty gesture.

There is no symmetry between North and South, of course, certainly no moral or political or economic symmetry. The South is a pleasant, prosperous place, disciplined and ordered in a Confucian way, but free. The North is a military dictatorship that spends a quarter of its national income on

weapons but cannot feed its own people.

But here, in the space between the two, a third entity exists, something that is a universe in itself: pure confrontation, total incomprehension.

It may be, as the US hopes, that North and South Korea can learn to talk, and that this week will see a breakthrough.

It may be, as some in Seoul and Washington believe, that the Pyongyang regime is crumbling and reunification is possible.

Optimistically, the South is erecting a building at Panmunjom that is intended to be a customs post and immigration office. But the political gap to be bridged here is vast: this will not be like the unification of Germany, if it ever happens. It will be like connecting matter and anti-matter.

The official reason is a story in itself. Earlier this year, information received from a North Korean defector appeared to confirm what was suspected for years: that spies from Pyongyang during the Seattles kidnapped more than a dozen Japanese, including a girl of 13, to serve as teachers of Japanese to trainee spies.

Others look for the answer in the realignment of conservative forces between the governing Liberal Democrats and the opposition New Frontier Party. But the most likely explanation lies far to the south in Okinawa, where 29,000 US servicemen are stationed. Since a young girl was gang raped by three US servicemen in 1995, Tokyo has come under intense pressure from Okinawans to send the Americans home. In persuading its own people to accept the continuing American presence, a missile-jobbing, child-snapping near-neighbour is rather a useful tool — it is surely this which lies behind Japan's new hawkishness.

## US arms exporters explode over missile threat

Christopher Bellamy  
Defence Correspondent

The world went more ballistic than usual over the weekend, with reports that North Korea had deployed new missiles able to hit most of Japan as well as South Korea, and that Iran had tested a missile able to hit Israel. But the people who have really been going ballistic are American defence companies, accelerating their efforts to sell anti-missile systems.

As the long-range missile threat grows, a number of countries are showing interest in Russian anti-

missile defence systems, but the US would prefer them to buy its *Patriot* anti-missiles instead. The US, which wants to keep the *Patriot* production line running, has put heavy-handed pressure on South Korea and the United Arab Emirates not to buy Russian.

The Russians, the world's third biggest arms sellers, are desperate to sell high-tech weapons for hard currency to ease their chronic debt and oil-rich Middle Eastern states and tiger economies like South Korea are good customers. The US, the world's biggest arms seller (Britain is num-

ber two) does not like the idea for economic and strategic reasons.

Japan's Foreign Minister Yukihiko Ieda yesterday told a Parliamentary Committee there were unconfirmed reports that North Korea had deployed some of its *Nodong-1* ballistic missiles on mobile launchers.

On Friday, Japanese television reported US spy satellites had spotted three *Nodong-1*s in positions on North Korea's eastern coast. With a range of 1,000km (625 miles), the missiles can hit targets across most of Japan and all South Korea.

Two weeks ago Israel claimed that

Iran tested an engine for a long-range missile with an estimated range of 1,500km (950 miles). The Russians deny they were involved, although Israeli officials say they believe Russian SS-4 missile parts have been transferred to Iran.

North Korea has denied it is developing a nuclear warhead for *Nodong*, but missiles of this type are not very accurate and, apart from harassment, only make sense with weapons of mass destruction — nuclear, biological or chemical — as warheads. For this reason, states

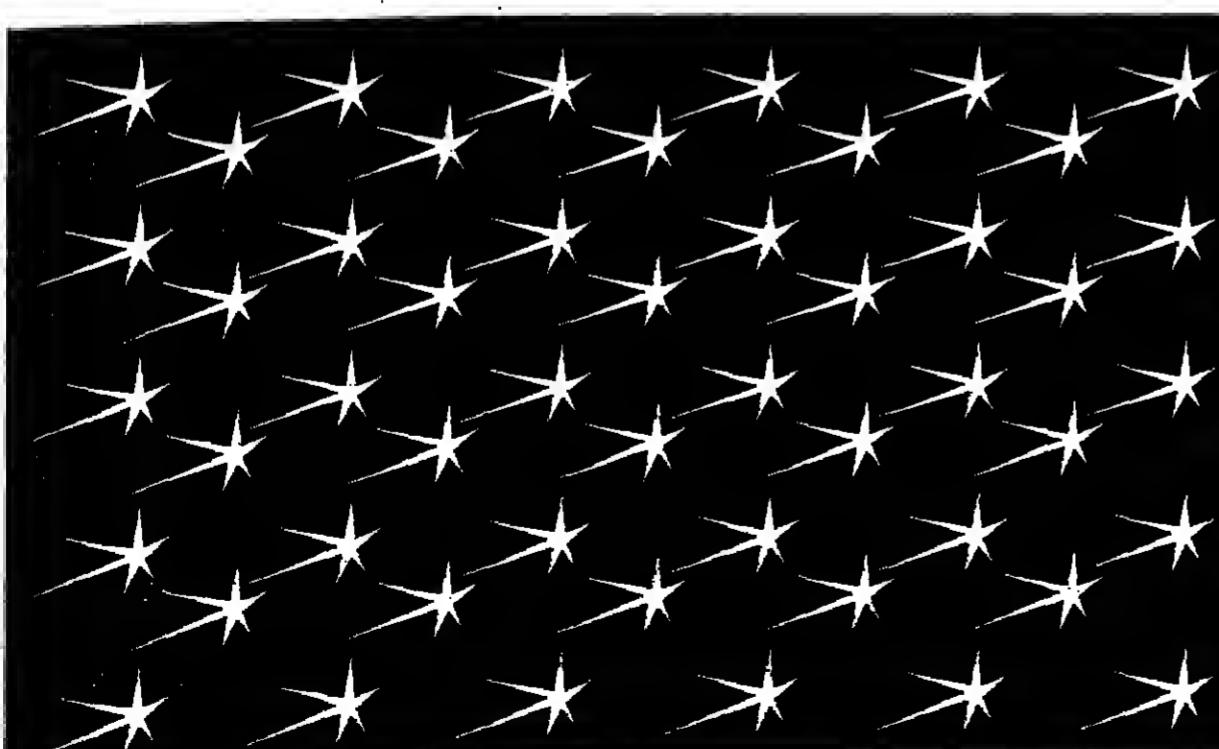
which are potential targets take these missile developments very seriously.

The only nations currently able to build anti-ballistic missile systems are the US and Russia. The US has helped Israel develop a new anti-missile, called *Arrow*, but its deployment is still some years off. There is no large-scale US involvement in *Arrow*, but in the interim, the US, and the US missile firm Raytheon, want to sell as many *Patriots* as possible.

South Korea has indicated that it was interested in buying the Russian S300V (Nato codename SA-12 *Giant*) system, but has come under heavy pressure from the US which has

warned that US aircraft would be at risk from a Russian-built system which was incompatible with US identification systems. UAE, too, has come under criticism for expressing interest in the SA-12.

Missile experts yesterday said the US objected to the missiles might be a danger to their own planes was nonsense. "They've operated in Egyptian airspace for years", said Christopher Foss, editor of *Jane's Land-Based Air Defence*. Egypt is one of many Middle Eastern states which have operated Soviet or Russian systems for decades.



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Japan takes a hawkish view of peninsula

Richard Lloyd Parry  
Seoul

On the face of it, it was a momentous announcement. At a session of the Japanese Diet's Special Security Committee yesterday, the Foreign Minister, Yukihiko Ieda, spoke of "various reports and information" of a most disturbing nature. "It is not that we have confirmed this," he cautioned, "but there are reports that North Korea has developed missiles with a range of more than 1,000km. There are certain reports that some have been deployed."

The weapon to which he was referring is a ballistic missile known as the *Rodong-1* (or "Worker"), capable of carrying both conventional and nuclear warheads. From the east coast of North Korea to the west coast of Japan is considerably less than 1,000 km (625 miles).

Mr Ieda declined to reveal the origin of the "reports" but a similar one appeared last week in the *Sankei Shimbun*, the most anti-communist of Japan's daily newspapers. If true, they would not be a great surprise: the Institute of International Strategic Studies in London predicted last October that the *Rodong-1* would be deployed in late 1996 or early 1997. Why then highlight the rumour now?

The fact is that, in the last few weeks, Tokyo's moderate diplomacy has changed dramatically. On the question of North Korea, Japan has been transformed from a cautious follower of the consensus, whose main concern was to avoid offending either South Korea or the United States, to the most hawkish of the countries directly concerned with the peninsula's fate.

The new policy has become most obvious in Japan's attitude towards food aid for North Korea. After two years of floods, the government in Pyongyang cannot feed its own people. After the first crop failure in 1995, Japan was one of the first to offer food. But now, in response to predictions of imminent famine, while the South has promised 6m (52.75m) of rice and the United States \$10m, Japan is refusing to consider further aid.

The official reason is a story in itself. Earlier this year, information received from a North Korean defector appeared to confirm what was suspected for years: that spies from Pyongyang during the Seattles kidnapped more than a dozen Japanese, including a girl of 13, to serve as teachers of Japanese to trainee spies.

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# A glimmer of hope for stability in Zaire

A remarkable thing has been happening in central Africa over the past few months. A portion of Zaire roughly equivalent in size to western Europe has fallen to a rebel army. Given the continent's post-colonial history, this is not in itself so momentous. But that this huge swathe of mineral-rich territory should fall with minimal bloodshed – that is indeed remarkable, and the implications for the rest of Africa could be huge.

The rebel forces of Laurent Kabila have now taken control of every important city in Zaire apart from the capital, Kinshasa, which remains under the (loose) control of President Mobutu Sese Seko and forces loyal to him. America, long Mr Mobutu's ally in the Cold War, has let it be known that he has now served his purpose. By consigning him to the dustbin of history, Western countries are clearly hoping that the country can hold together under a leader more disposed to rationality and decency. The hope in the West is that Mr Kabila can provide that. The pattern of the rebels' conquest has been almost uniform. They have made plain what their next target was, given the Zaire government troops time to flee and then marched into an undefended town. Rape and pillage has been carried out by the

forces of President Mobutu before they fled.

The difference in cultures between the rival armies could hardly be larger. The government forces are defending the father of kleptocracy. The primary function of the Zairean economy since Mobutu Sese Seko came to power 32 years ago has been to enrich the president and his cronies. The secondary function has been to enrich those Western mining companies that have benefited from a symbiotic relationship with him.

Frederic Ilunga Ngoy, head of a Zairean company, summed up the rules succinctly this week when he said: "We were all Mobutists so we were all living on bribes." In such a culture, it is impossible to survive without being sucked in some way – perhaps marginally, perhaps profoundly – into the vortex of corruption. Most African people today are victims of such culture. There is one predictable law – oppose the leader at your peril – but most other aspects of life are unpredictable.

The good news for the West is that the Zairean rebels are attempting to impose a kind of discipline on this chaos. The bad news is that the discipline has a heavy Marxist flavour. They want to "divide the spoils of the state among all citizens", and they are renegotiating the contracts

signed by Mobutu with the mining companies.

The rhetoric of Mr Kabila has been par for the course, given that his aim is to gain control of wealth and power beyond the dreams of avarice: "First we must liberate the country, and then all parties will be free to contest future elections. The ideology of the Alliance [his Alliance of Democratic Forces for the Liberation of Congo-Zaire] is to give everybody his place, to let everybody do as they please."

Such a libertarian ethos has been voiced by future dictators since the



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the government compliance necessary to repatriate them. Democracy is useful to them if it furthers these ends. The main concern of Western governments is likely to be – as always – "stability," which in this context means an end to the fighting and the preservation of Zaire's frontiers.

Of course, Mr Kabila is not there yet, and much blood could still flow.

So far, opposition demonstrations have been met by force, but mainly batons and tear-gas rather than bullets. However, government forces could yet run amok. And there is the vexed and complex question of the relations between the Zairean political opposition (led by Etienne Tshisekedi, who has significant support in Kinshasa) and the rebels. Mr Kabila recently rejected without ceremony a Tshisekedi offer of key ministries in a future government.

Yesterday, Kofi Annan, the secretary general of the United Nations, appealed to the rebel leader to stop fighting and start negotiating over the future of the country. There is little reason for Mr Kabila to respond positively to this appeal. If he wants to be next president of Zaire, that is not the best way to go about it. But he does appear to want to bring the country back into the world. He has already had informal contact with British diplomats outside the coun-

try, at his own request, as part of a strategy of building bridges to the West. Most importantly, he has already revealed a taste for power by consent, rather than power through fear. As long as this remains his taste, he should be encouraged.

## Oh, what a tangled web ...

"You can't tell the truth all the time, can you?" honest John Prescott asked plaintively at the weekend. His defence was that what he said could be distorted and the Tory press would over-react – which is true, but it is also a calculation familiar to well-meaning liars everywhere. So when is it permissible to lie? The danger with the concept of the "white lie", as any parent will know, who has tried to explain it to a child, is that it is the person doing the lying who decides whether or not it is right. There are some agreed special cases in politics – outlined by William Waldegrave, the Minister of Truthful Economy – such as devaluation. But it is generally better in politics, as in our private lives, to tell the truth – preparing the ground in advance where necessary.

## LETTERS TO THE EDITOR

### Hunt angers country people too

Sir: The idea of blood-sports issue is a debate between country person and ignorant townsie ("Townies who rule the country", 14 April) is yet another fallacy touted by the hunting fraternity.

People living in large cities naturally oppose the idea of killing animals simply for entertainment, but it is not a big issue for them. They are more likely to be concerned about people living rough on the streets. Just as many people living in rural areas, as has been shown by numerous opinion polls, are against blood sports and are much better informed on the issues, as they affect their daily lives.

The vast majority of our active support comes from people living in the country, many of whom have lived and worked there all their lives. The reason so many hunters apparently believe that everyone in the country favours blood sports is that they move in such limited social circles.

JOHN COOPER  
Chairman  
League Against Cruel Sports,  
London SE1

Sir: Duff Hart-Davis (article, 12 April) accurately describes the contribution made by local hunts to their rural locality.

Like many others I love to watch the huntsman working his hounds as much as I love to watch a shepherd working his collie. It has a magic that nothing else can match.

Our local hunt also provides social events, including a popular farmers' supper which provides a focus for our community as nothing else does. Hunts provide a service to a community whose livelihood is becoming increasingly beleaguered and solitary. If we lose our hunt what will take its place? Take hunting away and the countryside will lose yet more of its distinctiveness and colour.

While the fox is a part of the ecological fabric of our countryside it also needs to be controlled. We not only see the benefits of control on our lambs but in the increased numbers of ground-nesting birds. The hunt provides sufficient control to maintain the diversity (including foxes) of farmland wildlife in our locality. This is opposed to the dreaded use of a high-powered rifle (not to mention the snare), used at night with a spot-light from the back of a pick-up, which indiscriminately shoots all foxes seen, and not all of them are shot dead.

DENISE WALTON  
Foulden, Berwickshire

Sir: To answer some of Duff Hart-Davis's comments: firstly, it is a fact that several thousand hounds are already slaughtered every year to make way for the new intake. A hound's life is about six to seven years.

Secondly, I have yet to hear any plausible reason why hunts cannot turn to drag-hunting. Why is this simplistic? Because John Berkeley "would not be happy to see them go drag-hunting" is scarcely an answer. There is as much art in controlling hounds on a drag-hunt as any I have seen practised by a huntsman to date.

Thirdly, only about 7 per cent of horses are used for hunting, so even if hunts were to close down few saddlers or farriers would be unemployed, but drag hunting no one needs lose their employment, except perhaps those



tier men who are paid to dig out the fox gone to ground.

Lastly, I see no reason, given the great financial support that drag-hunting could create, why all the other country pursuits listed by Mr Hart-Davis could not continue. Is slaughtering its inhabitants for fun really the only way to look after our countryside?

JULIE RENSBURGH  
Leatherhead, Surrey

Sir: Lesley Ellis (letter, 12 April) has misrepresented the National Trust. The trust's council is mandated to implement policy which is formulated to best represent the wishes of a majority of the membership.

As a member of the trust, Lesley Ellis is able to take part in the debate through their regular publications and general meetings. She must be aware that in recent years the trust has commissioned a number of reports on the management of land, and control of deer population, in response to resolutions of general meetings.

Following publication of those reports, the council decided in favour of the hunting *status quo*. However, one omission from those reports was any consideration of animal welfare. That omission has now been corrected after a further members' resolution. As a result of the latest report, the council's decision to ban stag-hunting is the proper one. It is fully respecting the views of the majority of members who have expressed an opinion on the subject, and is not being bullied by anybody. Should the trust now go on and ban fox-hunting and fishing on its land? Of course it should if that is what the membership wants.

JEANNE WRAY  
Stockport, Cheshire

Sir: The humane decision of the National Trust to ban stag-hunting on its land puts to shame the Church of England, one of the biggest land-owners in the country, which still refuses to ban it.

Church House has just told me that "the Church Commissioners leave it up to the conscience of the individual tenant of the land as to whether they allow hunting on it". In other words, the matter of rent comes before animal welfare.

So while congregations all over the UK sing the praises of "all creatures great and small", an innocent animal is being hunted to death outside on church land – with ecclesiastical permission.

GEORGE Mc MILLAN  
Westcliff-on-Sea, Essex

Sir: We are asked to feel pity for the industry hunting supports, and not ban hunting because to do so would end hundreds of years of tradition. The communities that the hunt supports would suffer great hardship caused by the consequent unemployment.

How many hunt supporters stand alongside the miners when their industry and communities were wiped out? The suffering the mine closure programme caused to hundreds of thousands of people in this country puts the plight of the hunt in perspective. If you are a hunt supporter or employee, don't ask for my sympathy.

R P DOWELL  
Blaydon, Tyne & Wear

### Real social work goes to the wall

Sir: Joyce Brand's article on social work (9 April) risks a knee-jerk reaction in terms of old guard and new brooms – but that would not do justice to the issues it raises.

At stake is the loss of a skilled, established (albeit imperfect) means of addressing social need, with nothing of comparable effectiveness to put in its place.

When I retired last year from mental health in social work, my role was already being referred to as "care manager, also known as social worker". The scope for working face-to-face over a useful period of time with a client was rapidly giving way to the role of assessor/budget-holder, with its in-built conflict over perception of need against rationing of scarce resources.

This process of change has been pushed ahead in haste. It is naive of the Hackney councillor (letter, 11 April) to maintain that a new age of community care is dawning.

courtesy of the private and voluntary sector. Yes, voluntary agencies have played an honourable and respected role for many years, but what we are now seeing is the proliferation of new, inexperienced and market-orientated agencies scrambling to take over the roles shed by local authorities, their success hanging largely on being able to offer services that are pared to the bone financially.

In this situation, "choice" for the user (the loudly hyped *raison d'être*)

is virtually non-existent, whilst monitoring of standards, and accountability, become increasingly difficult to guarantee. Meanwhile, the task of counselling those in distress is either squeezed in between crisis work and administrative tasks, or is simply going to the wall.

These are issues that impact on many, many people. With the general election pending, they deserve a high profile with the political parties and the electorate.

ALISON TERRINGTON  
South Ruislip, Middlesex

for greater EU democracy, and accountability and reform, but debates among other members are already years ahead – just look at the ideas being put forward for incorporating the WEU and removing border controls.

Britain has one decision to make. Do we accept the direction taken already by the other member states and become European – or do we leave?

ROBÉRI COPPINGER  
Young European Movement  
Birmingham

Cash clash

Sir: I am grateful for David Lister's kind piece about the ICA (11 April). There were two factual inaccuracies: Westminster cut our grant by £36,500, not £200,000; and, as much as I'd like to, I don't have the power to make the Clash re-form...

PHILIP DODD  
Director  
Institute of Contemporary Arts  
London SW1

If Tony Blair thinks he will find allies for an alternative Europe he is sorely mistaken. The arguments about, broadly, to what degree power is divided between states and the EU on a "federal" basis have already been made. Only the detail remains.

Recent comments about a flexible Europe from France and Germany only mean that they are prepared to institutionally isolate a Eurosceptic Britain – while Lisbon, Madrid, Rome, Prague and Warsaw race past us to the hard-core next century.

Tony Blair can put forward ideas

### The true story of Noah's Ark

Sir: A couple of years ago, as part of a Bible study course, I asked a group of adults to read the whole story of Noah (Genesis 5:28-9:29) and tell me what they thought it meant. None of the group had any special 'theological' knowledge or sophistication. After much discussion, their conclusion was this: the story shows that God loves the world more than he hates the evil it contains.

Whilst this explanation will naturally be unsatisfactory for various reasons to many people, it does have the advantage of being a faithful interpretation of the scriptural record, and surely offers more hope to any believer than debate about the economics of shipbuilding, pieces of timber on mountainsides, the management of animals at sea, creationism versus evolution etc (letters, 10, 14 April).

Stories survive because they touch on the truth of the human condition, and are open to multiple interpretations. Biblical stories go further, and relate the human condition to the nature and purpose of God. The story of Noah does this. That is why children love it, and adults argue about it. It is a true story.

The Rev CHRISTOPHER SIMMONS  
Barby, North Yorkshire

### Maths in the bathroom

Sir: Excited by the prospect of possessing my very own piece of practical Penrose tiling ("Kleenex art that ended in tears", 12 April), I purchased the last two-pack of white quilted Kleenex toilet tissue in my local supermarket.

Readers may be interested to know that in this particular Penrose tiling, made up of fat and thin rhombuses (squashed squares), the ratio of the number of fat rhombuses to the number of thin ones is equal to the Golden Mean (1.618 to three decimal places, or more precisely a half plus the square root of 5). Of course this is only true if the rules for making the tiling have been followed exactly!

Rather than requiring that Kleenex dispose of all this toilet tissue, perhaps Professor Penrose could assist that a brief explanation of the tiling is included on the wrapper. There could even be a competition to discover how many sheets of the tissue are required to reach the Golden Mean, to say, three decimal places. Although this might lead to queries for the lavatory, what better way to demonstrate to the British public that no aspect of life is untouched by mathematics and science?

ANNE TREVILLION  
Paddock Wood, Kent

### Battlebus fare

Sir: You rightly complain of the £7.50 fee for your reporter to accompany the Labour battlebus (Letter from the Editor, 12 April). The remedy is simple. Do not report any Labour activity for two days. Should they complain, your response could be that of their minister – "We are not a charity, you know."

An objection that you are not carrying out your journalistic duty could be met by identifying your new policy as that of "New Independent". JEFFREY J LESSER  
London N20

Post letters to Letters to the Editor, and include a daytime telephone number. Fax: 0171-293 2056; e-mail: letters@independent.co.uk. E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity. We regret we are unable to acknowledge unpublished letters.

## analysis

Tory or Labour, the next government faces some hard decisions about defence cuts and their effect on our ability to fight a major war, argues Christopher Bellamy

**W**hat are we talking about", said

Britain's last Field Marshal, Sir Peter Inge, speaking just before he retired on 2 April, "is Britain's ability to fight high-intensity war." The next government will have either to maintain defence spending at its present levels and possibly increase it – which a Labour government would find difficult, though not impossible to justify – or cut something very big indeed. If it is the latter, the Army is in the frame.

Sir Peter was probably Britain's last Field Marshal. The rank has been abolished in "peace-time" – and there will be no more "wartime", because there will be no more big wars. Let us hope so, anyway. Instead, we face a world of continuous engagement: in our own internal security problems – Northern Ireland; in peace-keeping; Bosnia and, possibly, Zaire; and in peace enforcement and limited war – as in the Gulf. But although a third of the Army is on active service (preparing to go or recovering afterwards), paradoxically it is the Army's fast-moving, armoured cutting edge that is looking vulnerable.

Defence is not an election issue. Yet there are huge issues to be addressed. As we enter the 21st century, we are grappling with the prospect of cyber-warfare (to which our information-based society becomes more vulnerable every day), with changes in the role and status of the nation state, and the possi-



A Warrior infantry fighting vehicle, designed for 'high intensity war' in Europe, which proved ideal for peace-keeping in Bosnia. Soldiers fear that if the Army loses its ability to fight 'first division' battles, it will lose credibility for other kinds of operations  
Photograph: Christopher Bellamy

rate modern army – the British Expeditionary Force. At first, it was thought the BEF was as likely to go to Afghanistan as to Belgium, but from 1911 it became the core of Britain's "continental commitment".

Britain has endeavoured to maintain an army of that kind ever since. Running Nato's Rapid Reaction Corps and providing an armoured division is about the minimum you need to do that. The problem is that, at the moment, there is no specific role for it. However, the Army insists it has to remain at first division level because once it is relegated, it would take decades to get back. The ability to fight

a "high intensity war" is a genetic in a bottle – to be triggered out in a dimly foreseen time of dire need. Furthermore, an Army full of first division players can play and win a second division game. The converse is untrue.

The only way of saving a significant amount of money would be to ditch the lot. What is at issue is therefore nothing less than the relegation of the British Army to the second division. To the Navy, understandably, it believes that as an island we should specialise in things maritime and leave driving tanks around Germany to people like the Germans. We will need soldiers for internal security and international peace-keeping. But do we now need that 25,000-strong armoured division as the core of a top-of-the-range continental land army?

The snag in this argument is that, at the moment, the Navy is not fighting anybody, or

standing on street corners making sure they behave themselves. The Army is.

Most of the 17,000 troops in Northern Ireland and of the 5,300 in Bosnia come from bases in Germany. Merely pulling 25,000 troops and their families out of Germany would not save very much money; in fact, it would probably cost money as new accommodation would have to be built in Britain. Land for training in Britain is already tight: the Army would like 85,000 acres more, though it will not get it.

As weapons get bigger and fire further – the range of artillery has doubled in 20 years – training land is a real problem. The Army's best hope, apart from

increased use of simulators, is

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## Britain sounds the retreat

ability that missiles fired from the

Middle East may soon reach us. But, continually pressed for resources, military planners are also having to face the harshest defence choice in 90 years. Should we give up our commitment to high-intensity continental land war, a commitment shouldered in 1907? The next government will have to make some fundamental choices on Britain's military posture in the world. That is not going to be easy.

The Labour Party has criticised the Government for not spending enough, placing the "defence of the realm" at risk and leaving a massive hole in the defence budget, which is likely to become critical in around 2003. So you might think that, given the chance, Labour would actually spend more on defence. Clearly, they will not. Major defence projects – the last to be announced was the purchase of three new

nuclear submarines, costing £2bn – are always counted in billions. That would buy an awful lot of hospitals, and pay an awful lot of teachers.

The MoD's cash plans currently envisage spending about £22bn a year. MoD officials privately believe the next Chancellor will want £3bn from defence for other, more immediately pressing purposes – reducing this year's budget to £19bn, or £18bn after receipts from the sale of married quarters are taken into account. To achieve that, something big has to go.

Labour has committed itself to a strategic defence review, designed to look at exactly what tasks we are trying to do and what forces we need to do them. The plan is to complete it within six months of initiating the review in order to minimise disruption to the forces, which, any senior officer or civil servant will tell you, desperately need a

period of stability. In practice, there will be unease and instability even before the review starts – there is now. So, as a wise man said, "that thou doest, do quickly".

The government has recently published the first-ever *British Defence Doctrine* (Joint Warfare Publication 0-01), an "overarching" document setting out the British view on the nature of war and armed conflict and what the armed forces are about. It was the product of a conscious decision, which goes back to the mid-Eighties, to intellectualise the way we think about these things. But the exact timing of its release was clearly designed to pre-empt Labour's strategic defence review. "Why would we need a strategic defence review? We've done one. Here it is."

What if Labour's strategic review finds that JWP 0-01 has got the conceptual framework right? Would a new Labour government, six months or so into its term, accept that? Probably not.

And suppose Labour's

review decided that we were right to carry on doing everything we do now. The defence budget is infinitely susceptible to creative accounting, but there is certainly a £300m hole in it at the moment; and to be safe, it probably needs another £500m a year to do everything it would like to do on present plans. A true back-to-basics review might also conclude that we need Ballistic Missile Defence: an anti-missile missile system, to deal with the likely deployment of long-range

missiles by unpredictable Middle Eastern potentates who are not susceptible to deterrence. And that we need to reduce the vulnerability of our entire information-based society to cyber-war waged on the Internet. To do all that would mean raising the defence budget by another billion a year – £1.5bn a year in all. Would a future government do that?

Realistically, no.

Clearly, therefore, something has to go. Of the three services,

### The issue is nothing less than the Army's relegation to the second division

the Air Force looks relatively secure. The overwhelming dominance of air power in any operations and the industrial consequences of pulling out of major aircraft and missile projects make that option unattractive – particularly to Labour.

Given the changes in Europe since the end of the Cold War, and the disappearance of the threat of a land invasion, senior military planners are now having to think the unthinkable.

The maintenance of an armoured division in Europe, and the associated ability to

fight first-division land battles

would have to be sacrificed.

Either that, or a large chunk of

the Navy (or of the Air Force.)

The good news is that Britain

is most unlikely to have to

undertake a military operation

alone. Just about every foreseeable future war will be fought

by a coalition. Theoretically, therefore, individual nations in Nato could specialise. The Navy, understandably, believes that as an island we should specialise in things maritime and leave driving tanks around Germany to people like the Germans. We will need soldiers for internal security and international peace-keeping. But do we now need that 25,000-strong armoured division as the core of a top-of-the-range continental land army?

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The snag in this argument is that

# Rainswept, remote, barren and broke – but it's all theirs

Last week, the people of the Hebridean island of Eigg finally scraped together the £1.5m needed to buy Eigg to run it as a community initiative with a conservation body. The writer has been recording the islanders' campaign for a book. An exclusive extract describes the last few days of their five-year struggle.

Friday: It's two minutes past four and the phone no Appeal Director Maggie Pyfe's scrap-hardboard desk rings for perhaps the 500th time that week.

When she hears that the islanders' five years of struggle to gain ownership of Eigg is over, her first emotion is one of overwhelming relief rather than the rush of euphoria she had always expected. That will come tomorrow, and the next day and the day after that.

She pauses for a moment to roll a cigarette and share the news with her immediate family before starting the delicious task of phoning around her larger family – the other islanders – to inform them with a moment they will remember for the rest of their days.

Over Kildonan, Maria Carr, a mother of five, whose family have been living under threat of eviction for three years, finds herself dancing around the kitchen madly shouting at the ceiling: "Oh my God, I just can't believe it" before dancing some more. She says later that she never quite dared accept how much she wanted to hear the news until she actually heard it – and that when it came, it "nearly made me go deaf".

In hiscroft on the west side, 70-year-old Angus Mackinnon is with fellow crofter Davie Robertson when the news comes through. He goes out to his land and wonders what his people, who have lived on that spot since 1650, would have made of it. He says he feels them in every blade of grass and knows they would have been delighted.

Up the hill, Ruari Kirk's 80th birthday party is interrupted by the phone purring under a pile of coats. A dozen jellied-up children laugh uproariously as a flustered mother excavates the switchboard and then tells them the news that will shape the rest of all their lives.

Then they all gather at Maggie's and party until dawn.

Saturday: As blankets are thrown off for a late rise, many of the island community contemplate their future with a mixture of elation and concern. For two years, they have been working with experts on a business plan for the island so that, it is little confusion as to what has to be done. It's the prospect of actually doing it that makes them want to go back to bed.

The island is in a mess. The main building, the Lairds Lodge is a muddle of rot, asbestos and damp. The only shop has gone out of business. The only tearoom has been condemned by the health authorities. All the 12 estate holiday cottages have been vacant for five years. The estate farm, stripped of its stock, animal quotas and staff, is returning to its native jungle state.

This web of disaster is now owned by a community with little but loose change and serviced by a transport system that is so inefficient that it can take a week to get a gallon of petrol delivered from the mainland.

To restore this island to its fullest potential will

Maxwell MacLeod

What will the 64 folk who live on Eigg do with their island?

and lonely all wanting to be part of a story of hope and community.

Maggie tells me that she heard that television programs in Australia were interrupted by news bulletins announcing the buy-out; she laughs a rainbow of giggles at the daftness of it all and rolls another cigarette.

Next week, the islanders will vote in leaders to take the project forward and Maggie will start the thankless task of chasing up the £154,000 of pledges that must be honoured if the islanders are to pay the asking price on the entry date of 12 June.

She is confident they will make it.

The future she tells me will be one of negotiation and work – and then more negotiation. It will be hard, but it will be worth it.

Tuesday: I write these last words sitting in my study at Fulmar in Morecambe, where my forebears have sat for the last 200 years, each in turn recording the cultural genocide of our people – the Gaelic people. Each generation has seen the numbers of Gaelic speakers fall, so that while my great-great grandfather would have looked from this window and seen the neighbouring island of Mull with a Gaelic speaking population of more than 20,000, I gaze sadly on the fresco-effect wall opposite.

OK, the house in north London's Keats Town may be a bit more bourgeois than the pad he had in Norwich who he was teaching at the University of East Anglia 25 years ago. The CD and the PC are both state of the art. The ANC victory has had its impact on the modest but well-stocked cellar: the household now consumes only South African wine. The car outside is a Saab Estate instead of the beloved 2CV, with *La Lotta Continua* painted on one door and *Venceremos* on the other. But otherwise everything is pretty well in place *chez History Man*, 20 years.

It's my belief that the traditions of community and spirituality so deeply ingrained in all that is Gaelic have never been more needed by Britain than they are, today and that we allow that culture to die at our peril.

On Eigg, we have seen a tiny group made up of troublesome, confident incoherents and quiet native Gaels contrive and execute a radical project based on those principles and advance the cause of Gaelic revivalism in a way not seen in the Highlands for decades. Other communities may now follow their lead.

On a hilltop, a Gael once famously pronounced against Lord Leverhulme's grandiose proposals for change: "We have one question to ask him and that is this – will he give us the land?"

Sixty-four Hebridean islanders now have their land. It will be interesting to see what the devil they do with it.

They all gather at Maggie's and party until dawn.

At the end of the chapter

an advertising slogan: it should be the official name of the party.

Likewise, the Conservative Party's galloping disengagement with European integration has continually made headline news without quite reaching the point of no return until now. The significant development is the nature of the messages or statements of principle which Conservative candidates are making to their electors. If, as is commonly estimated, as many as 150 or so sitting members are planning to give a personal commitment in their individual manifestos that they would vote against joining a European single currency, then Mr Major's tortured formulations, which leave open a slim possibility of participating, become irrelevant. The Prime Minister would have been left behind by his party.

In a strange way, therefore, the factor hitherto thought most important in any election struggle, the management of the economy, has somehow been neutralised. Famously Bill Clinton had a sign on his desk during his first presidential campaign with the words "It's the economy, stupid!" to keep him focused on what really matters. It is hard to think what reminders Mr Major and Mr Blair should make for themselves this time.

This is why I take Mr Blair's remarks last week on privatisations to be historic: "Where there is no overriding reason for preferring the public provision of goods and services, particularly where those services operate in a competitive market, then the presumption should be that economic activity is best left to the private sector, with market forces being fully encouraged to operate. There should be no dogmatic belief that the private sector should do everything, or that the public sector

Andreas Whittam Smith

Absence of familiar landmarks makes this the eerie election

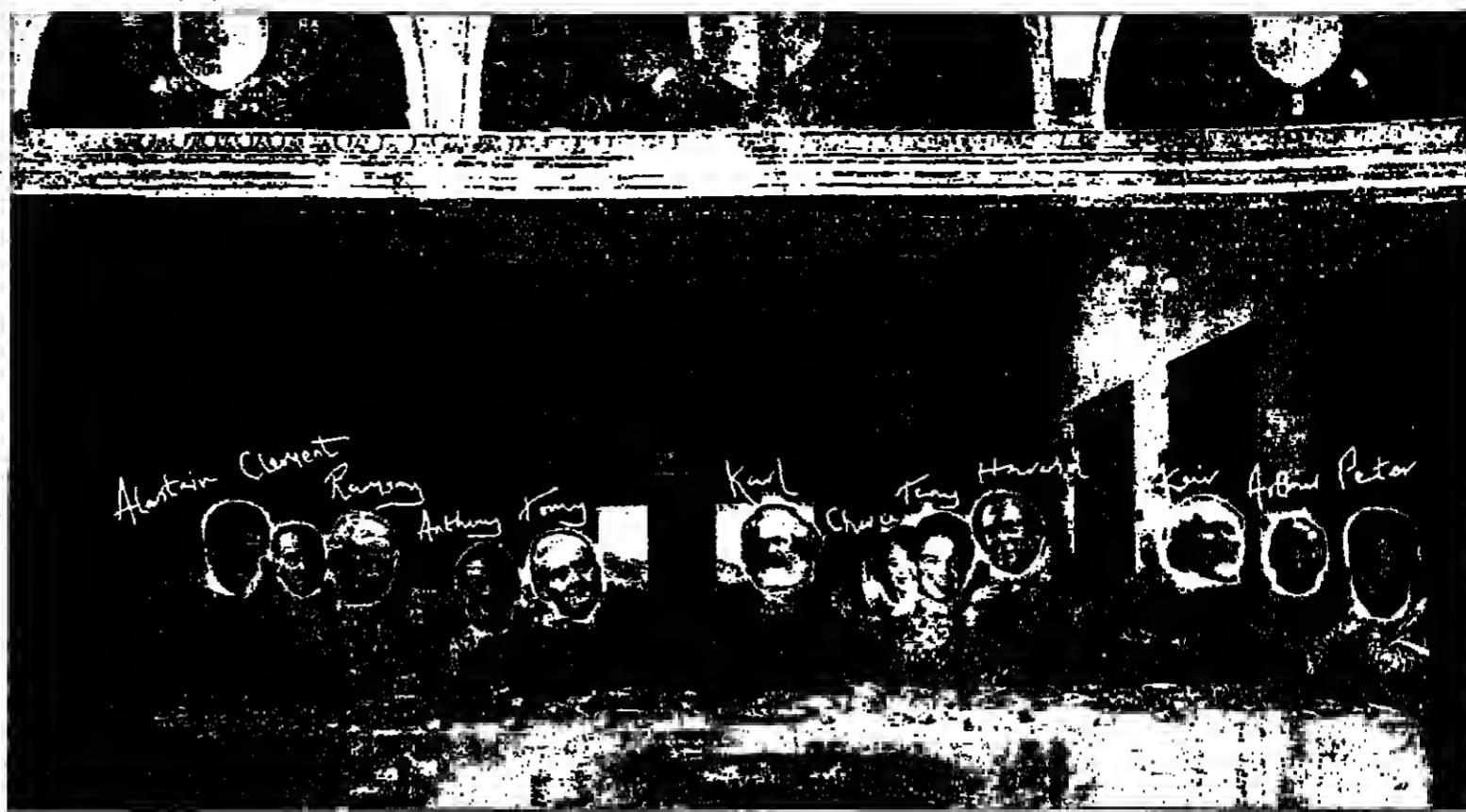
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# The left's last supper

History Man is reluctant to sup with New Labour, but he should look again at the menu, says Donald Macintyre

not, in 1979, struggled to reformulate the party as a truly left-wing socialist organisation?

Our boy had not played much direct part in that struggle: his own (very successful) academic career and his chairmanship of the campus Native branch had taken up too much time. But he was conscious that while the long march back to true leftism had been halted first by Kinnoch and then by Smith and Blair, it had never been proved wrong. As long as the Tories continued to win elections it was still possible to dream that it, rather than the relentless dragging of Labour back to the centre, would in the end be the path to victory. But with a Blair win that dream dies. Suddenly History Man senses his own mortality, and shivers.

In truth this fictional composite, with passing apologies to Malcolm Bradbury's 1975 anti-hero, is no doubt horribly unfair to the living, breathing intellectuals currently wringing their hands in print over Blair's alleged apostasy. But there are vestiges of it in most of them. These are most evident at one end of the handwringing spectrum: take, for example, Harold Pinter's unconsciously accurate imitation of Dave Spart in the

current issue of *Red Pepper*: "[Labour's] stated position on tax is a disgrace. Its treatment of dissent within the party is a disgrace. Its arse-licking of big business is a disgrace etc. etc. etc." (Those etcs, by the way, are Mr Pinter's own.)

Or there is the Oxford don Ross McKittrick, comparing

Ross and Brown in the *London Review of Books* with those

reviled old class traitors Ramsay MacDonald and Philip Snowden. Or the dinner party of metropolitan, middle-class 1992 Labour voters at Islington's Granita convened for Sunday's *Observer*, at which

Elizabeth Wilson

professor of cultural studies at the University of North London, says she is switching to Lib Dem because: "[Blair] is a Macmillan of the Nineties – except that he is more right wing." And Howard Freed, the headteacher who declares he doesn't trust Blair, and that "if the Tories get back it doesn't bother me two hoots".

At the more sophisticated end of the same spectrum, and to be taken much the most seriously, are Martin Jacques and Stuart Hall, writing in the same paper that the past 10 days have been "deeply depressing", and questioning whether New Labour will be "anything more

than a crypto-Conservative administration". Jacques and Hall are not History Men; and they aren't old Labour, either.

At the weekend they explicitly endorsed Labour's decision to "opt for modernity" after John Smith's death. Which makes it all the more surprising that some of their complaints have distinctly old Labour ring about them.

Take the "extraordinary display of gymnastics" over privatisation of gyms, for example. Labour handled this badly; but it was a tactical mess, not a philosophical ooe. Brown's bright young men had been thinking about an inventory of salable public assets long before they were put under pressure by the Tories to explain their spending and borrowing plans.

Hall and Jacques are in anguish over Blair's decision to extend Labour's commitment not to raise income tax in the party's members of the Scottish parliament. But in the real world, does such a commitment make it more or less likely that the Scottish people will vote for the tax-raising assembly which the intellectuals desire so deeply?

Most wavering electors,

expecting next to nothing from

politicians, would be impressed if the firm pledges made by

Labour – dismissed as "extreme modesty" by the disaffected intellectuals – were in fact delivered. A second misconception is to treat leadership in opposition as leadership in government. Jacques and Hall complain that Gordon Brown had refused to say whether the gap between rich and poor would have narrowed after five years of Labour in office. But does wishing it make it happen?

The intellectuals are right to identify the gap between rich and poor as critical. However, the time to complain about this is after five years, if Brown does nothing to achieve it.

But who does it betray, to shirk from making this a cast-iron first-term pledge? Or to promise less than he hopes to deliver in government, as Margaret Thatcher did in 1979? Especially when the levers of redistribution – including tax increases other than income tax – are still in place?

At the Wirral I heard a defector to Labour from the Tories say thoughtfully that it would be impossible to judge Tony Blair until he had had five years in office. Asked in that same issue of *Red Pepper* whether it mattered who won the election, the journalist Paul Foot, no friend of Labour sell-outs, said: "All you have to think about is the tremendous gloom on 9 April 1992, and contrast it with the sheer sadistic pleasure which every ooe of us will experience on the night of 1 May." One speaks for the electorate at large, the other for the political activist. Both tell us a larger truth, and put the Granita diners to shame.

# At the end of the chapter

This year, 1997, now looks likely to be an important date in British political history, mainly because it will mark the disappearance of certain familiar features. It is probably accurate to say, for instance, that in 1997 socialism in this country finally came to an end after 100 years' endeavour. Likewise the Conservative interest in European integration has at last petered out, 26 years since Mr Heath received enthusiastic backing for the terms of Britain's entry into the Common Market at the party's annual conference. Moreover if Labour wins the election, we shall be debating an unusual aspect of the campaign – why, for the first time, a strong economy failed to benefit the incumbent party.

Of course the Labour Party has been becoming visibly less socialist and more managerial, even capitalist, since Mr Attlee's time, despite occasional lurches to the left. And Mr Blair has been pretty close in cutting Labour's last ties with its past for some time. All this is well known. Now the important moment is when things hinted at, or half said, or slightly veiled, are suddenly made absolutely plain.

This is why I take Mr Blair's remarks last week on privatisations to be historic: "Where there is no overriding reason for preferring the public provision of goods and services, particularly where those services operate in a competitive market, then the presumption should be that economic activity is best left to the private sector, with market forces being fully encouraged to operate. There should be no dogmatic belief that the private sector should do everything, or that the public sector

# A column? You've a ghost of a chance

Dear Fergie,

I hear that the *New York Times* syndication department is giving you £100,000 a year for a weekly column which they are to circulate in 2,000 newspapers around the world, and I wondered if you needed a bit of a hand with it?

With all your other activities – flogging fruit juice, and slimming for cash – out to meetoo your lucrative contract with *Paris Match* to do six "major interviews" a year, I thought a ghost-writer might be in order.

I gather your first column is to be circulated today and I look forward to seeing what it really matters. It is hard to think what reminders Mr Major and Mr Blair should make for themselves this time.

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with the electorate? Because low inflation also means relentless cost-cutting in the public services and in private enterprise to the extent that nobody, from boss to floor cleaner, feels safe in his or her job. Job security has vanished. Moreover there appears to be no difference between the economic policies of the two main parties.

In a strange way, therefore, the factor hitherto thought most important in any election struggle, the management of the economy, has somehow been neutralised. Famously Bill Clinton had a sign on his desk during his first presidential campaign with the words "It's the economy, stupid!" to keep him focused on what really matters. It is hard to think what reminders Mr Major and Mr Blair should make for themselves this time.

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# business & city

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BUSINESS & CITY EDITOR: JEREMY WARNER

## Chancellor dines on a perfect cocktail of statistics

Diane Coyle  
Economics Editor

A week of key economic statistics kicked off yesterday with figures sure to please Kenneth Clarke, with news that inflation at the factory gate fell last month to its lowest for more than a decade. Separate survey results showed that high street sales grew at a slower pace in March. This encouraging start will be followed by other statistics to-

morrow and Thursday likely to show a further big drop in the number of people claiming unemployment benefit, lower-than-forecast government borrowing last financial year, and unchanged headline inflation. The cocktail could scarcely have turned out better for the Chancellor so close to the election date.

"Inflation can keep falling this year," said Jonathan Lyons, UK economist at HSBC Mar-

kets. He predicted that only a small post-election increase in interest rates would be necessary. But other City economists stuck to the view that inflationary pressures would pick up later this year because of the strength of the economy outside manufacturing. "There is growing evidence of overheating in the service sector," said Richard Iley at Hoare Govett.

The Conservatives are certainly in danger of having

missed their target of underlying retail price inflation of less than 2.5 per cent by the end of the parliament, although the April figure will not be published until after the election.

Economists expect retail price inflation to fall below the target rate later this year.

Yesterday's figures showed that inflation further back in the pipeline, in prices paid by manufacturers for materials and charged at the factory gate,

had fallen to the lowest since the mid-1980s. The strength of the pound in recent months has contributed to the decline.

Manufacturers' output prices climbed by only 1 per cent in the year to March, while "core" prices, excluding food, drink, tobacco and petroleum, were only 0.5 per cent higher year on year.

Input prices declined 0.5 per cent during March, taking their annual rate of decline from

minus 6.6 per cent to minus 7.6 per cent. This was the biggest annual rate of decline in the cost of materials since oil prices dived in the mid-1980s, and was also driven by cheaper oil. Food and metals prices increased sharply last month.

"There is very little inflation in the pipeline in manu-

facturing," said Gerard Lyons, chief economist at DKB. "The worry will be inflation in the services sector."

associated with the election," said Andrew Higginson, chairman of the BRC's economic affairs committee.

He said inflation was low in the retail sector, with especially noticeable downward pressure on food prices.

Furniture sales fell victim to pre-election uncertainty, especially big-ticket items. But good weather and the early Easter holiday had led to especially buoyant DIY sales.

## Base rate fears fuelled by £6bn windfall

Michael Harrison  
and Clifford German

More than £6bn is set to flood into the economy over the summer months through building society share windfalls, fuelling consumer spending and putting fresh upward pressure on interest rates.

This emerged yesterday as the Alliance and Leicester disclosed that 27.5 per cent of the shares being given away to savers and borrowers in next week's £2.3bn flotation are being cashed in immediately.

If similar numbers of shares in the other floating mutual societies are sold instantly then it will free up £6.3bn of spending power - the equivalent of 3p off income tax, 0.8 per cent on GDP and 1.2 per cent on annual consumer spending.

The impact on the economy could be significantly greater if more of the new building society shareholders decide to cash in through the course of the year - adding dramatically to growth and fuelling inflation.

The 27.5 per cent of A&L shareholders cashing in is higher than most City analysts had forecast. A study by Mort for the investment bank Salomon Brothers in February estimated that only 12 per cent - one in eight - would sell shares immediately with a further 12 per cent selling shares later in the year.

The Bank of England, meanwhile, warned in its February Inflation Report that if more than 10 per cent of the windfall was spent in the first year it would increase the upside risks on growth and inflation.

The A&L flotation, together

with the forthcoming conversions of the Halifax, the Norwich Union, the Woolwich, and the Northern Rock together with the Bank of Ireland's takeover of the Bristol and West will produce a windfall of £25bn and benefit 19 million people - one third of the adult population.

Even if half the windfall is saved, it will still amount to a massive boost to the economy. Michael Saunders of Salomon.

said: "This is a bigger figure than we had forecast. The key will be whether a lot more shares are sold and what the impact on spending will be. The thing to bear in mind is that of those people who sell their shares, only half will spend the money. The rest will be put into lessors or PEPs or National Savings or into G&P or D&P and 1.2 per cent on annual consumer spending.

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When the Abbey National converted to a bank in 1989 only a quarter of its shareholders bailed out in the first year. Roughly 25 per cent of National & Provincial members have also sold their shares in the nine months since their society was taken over by Abbey National last summer.

A&L points out that it has been a society for small savers, for whom a four-figure windfall was maybe too tempting to keep. More than 70 percent of its members had less than £2,000 on deposit, which is why it decided to go for a flat 250 share allocation rather than a graduated pay-out. The wording of its information leaflets sent to members was specifically designed to be even-handed but this may also have made it much easier to choose to sell the shares.

But uncertainty over the future trend of interest rates and share prices and the background of the election might have persuaded some members to take the cash against the advice of the City.

The higher than expected figure of sales means there is less risk of a disorderly market developing as institutions struggle for shares. Tracker funds will expect to hold up to 15 per cent of the shares eventually and other institutional investors to hold up to half. But A&L is not expected to join the FTSE100 index until 23 June.

It means around 160m shares will be available to meet demand from institutional investors by the time trading in the shares starts on Monday. With the market as a whole sliding the chances of the shares trading above 500p next week are decreasing.

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A record 98 million passengers travelled through BA's seven airports last year - 4.6 per cent up on 1995 - the group announced yesterday. One of the driving forces behind the increase in traffic was a 7 per cent growth in passenger numbers at Gatwick, where Janis Kong (pictured above) is managing director. The increase to 24.6 million passengers was due in large part to the decision by British

Airways to switch many of its Latin American and African flights from Heathrow to Gatwick. Stansted increased passenger numbers by 19 per cent to 4.9 million while Heathrow was up 2.4 per cent at just over 56 million. The biggest growth was in the UK-Ireland market where traffic levels rose 11 per cent to 4.5 million.

Photograph: Kalpesh Lathigra

## GUS goes on \$246m US shopping spree

Nigel Cope  
City Correspondent

Great Universal Stores, the mail order group, has consolidated its position in the American information services industry with its second big deal in six months.

GUS, headed by Lord Wolfson, is paying \$246m (£152m) for Direct Marketing Technology, an Illinois-based provider of direct marketing services to the US mail order catalogue industry.

The deal follows the £1bn acquisition of Experian, another US database group in November. GUS' first significant deal in 30 years.

Eric Barnes, deputy chairman of GUS, said he did not envisage further acquisitions in this

sector in the foreseeable future, hinting instead that something in direct mail order was more likely. However, he added that GUS was "not looking at anything at the moment".

The Direct Technology deal represents another significant step for GUS as it seeks to establish itself as a global force in the rapidly growing market of database services. As the huge success of supermarket loyalty cards has demonstrated in the UK, companies which successfully build detailed profiles of their customers to target promotions more effectively while growing sales and increasing loyalty.

Direct Tech specialises in database marketing, list processing, and analytical services.

GUS is paying \$222.5m for the equity of Direct Tech as well

as repaying its debts of \$27.7m. Depending on its performance between now and 2001 GUS could make further cash payments of \$52.5m.

Mr Barnes said the deal formed part of the GUS strategy of building up an information services business in the US to complement its CCN division in the UK. He said global clients were increasingly seeking a "one-stop shop" for their database marketing needs.

Direct Tech employs 570 and last year it recorded profits of \$15m on sales of \$65m.

GUS said that the two founders of Direct Tech, Tom Newkirk and Scot Thomas, would remain. Some cost reductions might come from merging the marketing division with Experian.

The intention is to offer an executive jet service to Virgin Atlantic customers flying Upper

Class into Heathrow and Gatwick and then needing to get elsewhere fast.

The helicopter fleet, formerly owned by McCarthy Corporation but being renamed Virgin Helicopters, will be used to ferry passengers between London's Battersea heliport and Heathrow, Gatwick and Stansted and for special charters.

McCarthy Corporation has a stock market listing in Canada and is chaired by the brothers Rory and Tim McCarthy. Rory, who holds the world freefall parachute record, was to have flown with Mr Branson on his round-the-world balloon attempt but was forced to drop out at the last minute because of illness.

Initial investment in Virgin Executive Aviation will be £10m. The executive jet service will be

launched this summer with one HS 125-800 jet and one Cessna Citation V jet which have a cruising speed of 410 knots. They can carry 8-10 passengers and will have enough range to fly from London to Moscow or Marakesh. The jets will fly in Virgin colours and have dedicated Virgin cabin crews.

McCarthy Corporation has investments ranging from the Smokey's chain of restaurants and Cafe Spice to Victory Corporation, a cosmetics and casual wear group floating on the AIM market shortly, and a telecoms company TCS. It also owns 75 per cent of Lindstrand Balloons.

Rory McCarthy, chairman of McCarthy Corporation, said the aim was to expand the business swiftly to exploit the reputation of Virgin's Upper Class Service.

## Former BTR chief paid £1m bonanza

BTR paid former chief executive Alan Jackson almost £1m in 1996, a year in which he served as an executive director for only three months. The company's profits fell by 13 per cent, the dividend was cut by 35 per cent and its shares underperformed the market by more than 20 per cent, writes Tom Stevenson.

The company's annual report, which was sent to shareholders yesterday, shows a total remuneration of £949,116 for Mr Jackson, a 40 per cent increase on his salary in 1995, his last year as chief executive of the industrial group. The payment in-

cluded "sums to discharge contractual obligations" at the end of his contract.

A spokesman said those obligations were "in connection with untaken long-service leave under the state of Victoria employment legislation, together with holiday untaken and paid in lieu". Mr Jackson, an Australian, has left BTR.

His end-of-career bonanza is certain to provoke questions at BTR's annual meeting on 4 May, coming at the end of a four-year period in which BTR's shares have fallen from 407p to last night's close of 249p.



Lord Wolfson: Second big acquisition in six months

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Eric Barnes, deputy chairman of GUS, said he did not envisage further acquisitions in this

sector in the foreseeable future, hinting instead that something in direct mail order was more likely. However, he added that GUS was "not looking at anything at the moment".

The Direct Technology deal represents another significant step for GUS as it seeks to establish itself as a global force in the rapidly growing market of database services. As the huge success of supermarket loyalty cards has demonstrated in the UK, companies which successfully build detailed profiles of their customers to target promotions more effectively while growing sales and increasing loyalty.

Direct Tech employs 570 and last year it recorded profits of \$15m on sales of \$65m.

GUS said that the two founders of Direct Tech, Tom Newkirk and Scot Thomas, would remain. Some cost reductions might come from merging the marketing division with Experian.

The intention is to offer an executive jet service to Virgin Atlantic customers flying Upper

Class into Heathrow and Gatwick and then needing to get elsewhere fast.

The helicopter fleet, formerly owned by McCarthy Corporation but being renamed Virgin Helicopters, will be used to ferry passengers between London's Battersea heliport and Heathrow, Gatwick and Stansted and for special charters.

McCarthy Corporation has a stock market listing in Canada and is chaired by the brothers Rory and Tim McCarthy. Rory, who holds the world freefall parachute record, was to have flown with Mr Branson on his round-the-world balloon attempt but was forced to drop out at the last minute because of illness.

Initial investment in Virgin Executive Aviation will be £10m. The executive jet service will be

launched this summer with one HS 125-800 jet and one Cessna Citation V jet which have a cruising speed of 410 knots. They can carry 8-10 passengers and will have enough range to fly from London to Moscow or Marakesh. The jets will fly in Virgin colours and have dedicated Virgin cabin crews.

McCarthy Corporation has investments ranging from the Smokey's chain of restaurants and Cafe Spice to Victory Corporation, a cosmetics and casual wear group floating on the AIM market shortly, and a telecoms company TCS. It also owns 75 per cent of Lindstrand Balloons.

Rory McCarthy, chairman of McCarthy Corporation, said the aim was to expand the business swiftly to exploit the reputation of Virgin's Upper Class Service.

His end-of-career bonanza is certain to provoke questions at BTR's annual meeting on 4 May, coming at the end of a four-year period in which BTR's shares have fallen from 407p to last night's close of 249p.

Former BTR chief paid £1m bonanza

BTR paid former chief executive Alan Jackson almost £1m in 1996, a year in which he served as an executive director for only three months. The company's profits fell by 13 per cent, the dividend was cut by 35 per cent and its shares underperformed the market by more than 20 per cent, writes Tom Stevenson.

The company's annual report, which was sent to shareholders yesterday, shows a total remuneration of £949,116 for Mr Jackson, a 40 per cent increase on his salary in 1995, his last year as chief executive of the industrial group. The payment in-

cluded "sums to discharge contractual obligations" at the end of his contract.

A spokesman said those obligations were "in connection with untaken long-service leave under the state of Victoria employment legislation, together with holiday untaken and paid in lieu". Mr Jackson, an Australian, has left BTR.

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## COMMENT

'Either the fundamental strength of the economy can and should lead to a sustainably higher exchange rate, or a higher exchange rate can and will damage the economy's strength, but not both at the same time'

## Strong pound is just a temporary phenomenon

There are two common and inconsistent views about the strong pound, and they tend to be held loudly and simultaneously by the very same commentators. One is that the fundamental vigour of the British economy means the pound is on the up and up, and will climb even further once the uncertainty about the election is out of the way and we have a Labour chancellor starting to raise interest rates.

The other view is that the strong pound will inflict severe damage on manufacturing industry and the parts of the service sector exposed to international trade, just as it did in the early 1980s and 90s. Therefore there is an urgent need to increase interest rates because lower exports will slow growth. The inconsistency is in arguing that the causality can go in both directions simultaneously. Either the fundamental strength of the economy can and should lead to a sustainably higher exchange rate, or a higher exchange rate can and will damage the economy's strength, but not both at the same time. Those people who are propounding both points of view need lessons in logic, never mind economics.

Of the two, the latter case seems the more plausible. It may well be, as John Major and Kenneth Clarke keep insisting, that Britain is not just booming but on a fundamentally better economic path. However, the evidence for this is far from conclusive and certainly not strong enough for the financial markets to have marked up sterling by 14 per cent in six months. More likely the strong pound is due

to temporary factors and will eventually end up hitting exports and slowing down the economy. Surveys suggest export orders are already weaker, even though domestic demand is still offsetting the impact on output.

If this is the case, the pound's strength will probably be a temporary phenomenon – a simple reflection of the likelihood of higher interest rates thanks to the stage of the business cycle the UK, like the US, has reached. There's also another reason why sterling will probably begin to fall back again at some stage in the next six months: the strong possibility of a Labour government. This is not because markets necessarily have anything to fear from Labour, but because Labour will almost certainly try and talk down the economy once it gets into office. Human nature dictates that every newcomer to a job shouts long and hard about the unhappy mess he's inherited from his predecessor. Labour has already promised a financial audit once it gets into power and is unlikely to defer from this time-honoured habit. Unfortunately markets have an unerring habit of believing the politicians when they say that in truth the economy is in a dreadful state.

BT should clear its final hurdle

Wembley, the scene of many a sporting triumph, is a fitting location for British Telecom's historic shareholders' meeting to

day to approve its merger with MCI. For the £12.5bn deal, a takeover in all but name, is nothing if not grand in scale. It is unlikely that more than a few hundred of the 2.3 million BT small investors will turn up this morning, given that a yes vote is a certainty, and the occasion is no less momentous for the predictability of the outcome.

With today's egg over, there is only one significant hurdle left – US regulators. But despite the best efforts of AT&T to disrupt the process, BT would hardly have set out on the merger path if it wasn't given some kind of private assurance of success, and though clearance may be taking longer than anticipated, it must surely come.

Assured of success as it no doubt is, BT has none the less found the merger a surprisingly tough proposition to sell to the City. Why was it necessary to buy MCI outright, many wondered, when the existing Concert alliance in the international business market seemed to be outperforming similar offerings from Sprint and AT&T? Why, they also asked, was it necessary to pay over the odds to take over MCI, the biggest deal in UK corporate history?

Though BT can convincingly talk of the £1.5bn worth of synergies and savings from the merger, the real truth is less palatable to all those institutional bean counters who have become used to BT's guaranteed dividends. The only realistic path open to BT to compete fully in the fast-growing global telecoms market was to take full control of

MCI. If Messrs Vollance and Bonfield delayed too long, a rival group would swoop in. The reasoning is basically defensive. BT has to attack the global business market because the alternative is to sit back and watch its market share in the UK steadily decline by the competition.

What concerns shareholders, who have uncertainty, is that with the creation of Concert plc, the BT they knew so well will gradually disappear. The merger is genuinely a journey into the unknown. But it is a necessary and inevitable one.

**Regan 'bid' looks doomed to fail**

With the Co-operative Wholesale Society's poor profit figures now out in the open, the next move in this spell-binding saga must surely come from Andrew Regan. Having parked the Lanica Trust tanks on the CWS's lawn he must now open fire, or be forced into ragged retreat.

If he does, two things could start to get really interesting and all that has passed up to now will count only as a "penny war". The two sides already have three PR advisers each and are already accusing each other of "black propaganda". Imagine the high jinks they will perform if he goes ahead.

We do not yet know the level, if any, of Mr Regan's support among the Co-op's members which stretch from Brixton to the

Falkland Islands, where it has a single store. The Co-op says it knows of no support and that its board members all put their hands up dutifully at a meeting last week to support the 130-year-old movement. But we must assume that the 31-year-old entrepreneur has some backing or he would not have let his "bid" get this far.

Word is that he may have the backing of 10 regional societies – enough in all a special meeting. He may also have sympathisers at board level too. If there are rebels in the ranks, Mr Melmoth either does not know about them or isn't telling.

But even if the boy Regan does garner enough support to force a special meeting or force the board to consider the offer, he looks doomed to failure. Why should the CWS sell some if its most profitable businesses to a financier whose real interest is not in running them but in selling them on at a profit? If the board is to sell some of its interests at all, then surely it should itself seek a buyer willing to pay a strategic premium, and keep the upside. Mr Regan wants to sell for himself. It just doesn't make sense to sell to Laotus. Whatever happens, Mr Regan will have played a key role in the Co-op's history. As yesterday's poor profits show, the Co-op movement desperately needs to huck up its ideas if it is to fight its corner in increasingly competitive markets. Mr Regan may have galvanised the movement into action. The pity of it for him is he is unlikely to see a penny for his trouble.

## Trading profits at Co-op fall 21 per cent

**Nigel Cope**  
City Correspondent

The chief executive of the Co-operative Wholesale Society launched a fierce attack on Andrew Regan's Lanica Trust yesterday as he announced a sharp fall in profits at the business.

Graham Melmoth, who became chief executive in November, described Mr Regan as "an irrelevance" who "does not stand a hope" of buying parts of the CWS's non-food business.

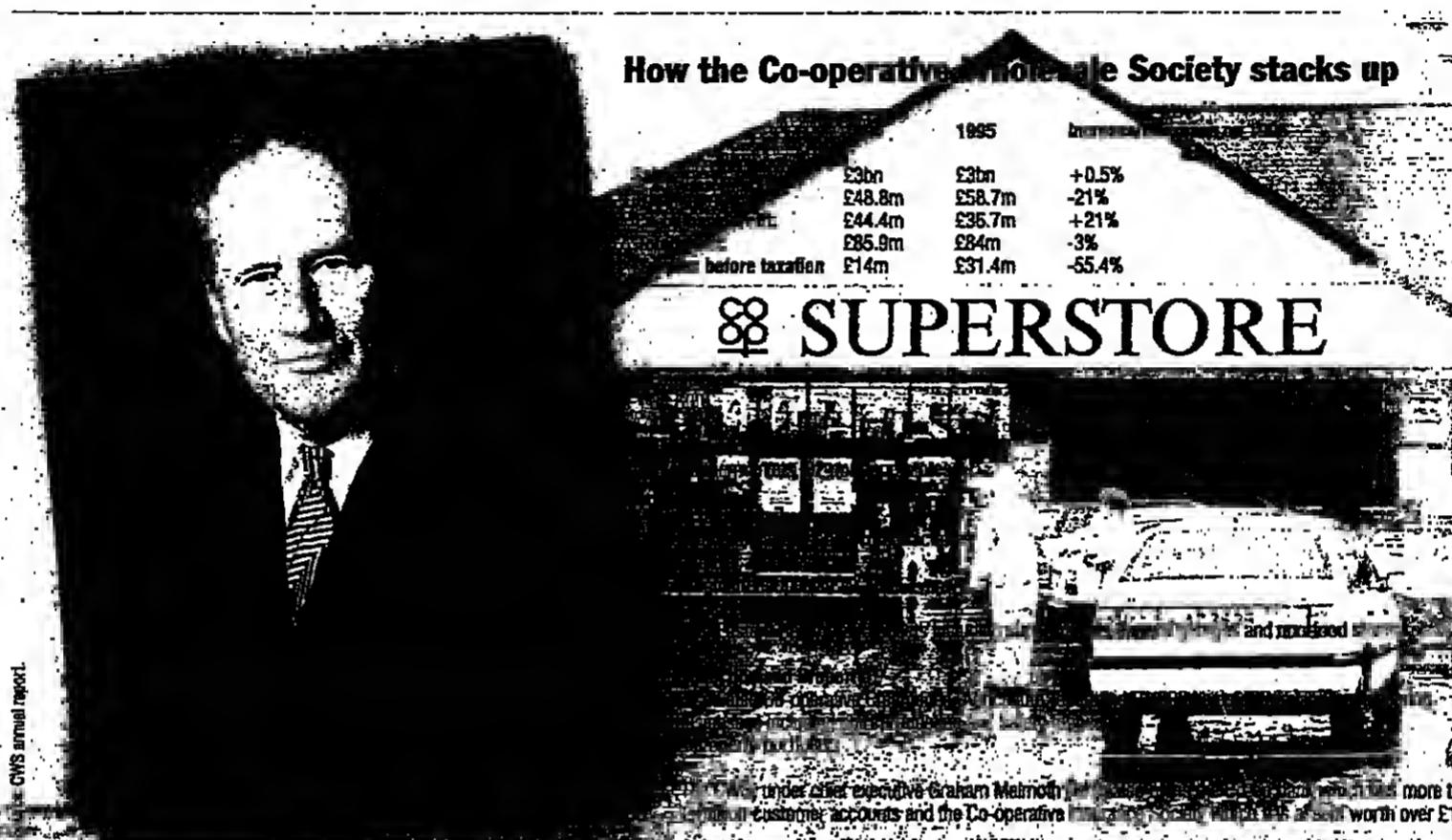
"It is a South Sea Bubble puff... and I am not going to see the Co-op movement collapse into a share ramp," Mr Regan said.

He stressed that the CWS currently had no businesses up for sale and if some were to be sold for strategic reasons in the future then they would be sold "to maximise value, not to an asset-stripping middleman."

The view from the Deside Farmers Co-op was rather different. "I don't know anything about it," a spokesman said. "We're just a farmers' buying group."

The Falklands Islands Co-operative could not be contacted.

Mr Melmoth's comments



came as the CWS reported poor profits for last year.

Stripping out the contribution from the Co-op bank, which reported its results earlier this month, trading profits were 21 per cent lower at £41.5m. The retained surplus was halved from £31m in 1995 to just £14m last year.

Mr Melmoth said a strategy review was under way which would see costs reduced and staff participation improved.

He also said that the Co-op "divi", which has been reintroduced in Northern Ireland and parts of Scotland, might be rolled out across the country.

Though he did not earmark businesses that might be sold, he admitted that the garages and opticians business would be reviewed. It also seems likely that some of the e-commerce businesses such as a safety footwear manufacturer will be regarded as non-core.

The main reason for the decline in profits last year was a 14 per cent decline in profits at the food operation. This was largely due to difficult trading in Scotland where

However, he dismissed suggestions that the food retailing operation, which is facing tough competition from the big supermarkets, would be sold:

"There's no way we can get out of food retailing. It's a core part of the Co-op's role."

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## De La Rue to cut 400 jobs

**Chris Godsmark**  
Business Correspondent

De La Rue, one of the world's largest banknote printing groups, yesterday moved to slash costs in its main security printing arm with a restructuring programme involving the loss of a possible 400 jobs, a quarter of the division's workforce.

The announcement is the company's latest response to increasing international competition in the congested banknote and cheque-printing market, where profit margins have plunged over the past two years.

The news provided some welcome relief for long-suffering investors who have seen the value of De La Rue shares halve since 1995 after the company made three profit warnings in 15 months. The problems also stemmed from the £680m takeover of William Morris, a 12 per cent up at £12.8m. Group sales were flat at £3bn.

Mr Melmoth said his priority was mainstream retailing and he would target the CWS's 700 food and non-food stores to improve their performance.

De La Rue yesterday restricted itself to a brief comment on the CWS figures. "Overall it makes a diabolical return on a huge amount of turnover."

The reorganisation will concentrate manufacturing on three of De La Rue's four security printing sites in the UK following its purchase of Loughborough's postage stamp printing business, Harrisson & Sons, in February. Factories will move from combining several different product lines to fewer tasks.

The group's plant at High Wycombe, which De La Rue inherited from Loughborough, is to be refurbished while its Dunstable site will close. Banknote production will move from High Wycombe to Gateshead, while travellers' cheque making will switch to High Wycombe.

The company said the cuts would take place over six months and would cost £15m. Alan Blundell, director of the security print operation, said the move represented "decisive action".

Representatives from the printing workers' union, the GPMU, are to be consulted about the job losses, which come out the security printing division's workforce of 1,685.

## IN BRIEF

## Economic recovery firms in Japan

Yasuo Matsushita, governor of the Bank of Japan, said the "economic recovery is becoming firmer" due to an increase in domestic demand, which had started to stimulate higher production and wages growth. "Favourable moves among demand, production and wages have started to work gradually, and the economic recovery is becoming firmer," he said.

Mr Matsushita said that, while the recent Tankan survey confirmed a lack of private sector confidence about the emergence of a strong recovery, "we should not be too pessimistic". He said the consumption tax hike was likely to have only a temporary impact on the recovery and was unlikely to undermine the move towards a self-sustained recovery.

## ScottishPower sells computer business

ScottishPower has sold the Southern Water computer services business for £10.8m to ICL Group in the first step in a phased restructuring designed to release cash and improve profitability following the acquisition of Southern Water last year. The sale agreement includes a three-year contract with CPM to provide mainframe computer services to Southern Water.

## Apple closes research centre

Apple Computer has closed its research and development centre in Singapore, with 101 redundancies affecting researchers and programmers. After these redundancies, Apple would employ 873 people in Singapore, the company said. The restructuring in Singapore is part of a move to regroup all R&D operations at the company's headquarters in Cupertino, California.

## Profits double at General Motors

General Motors said its first-quarter profit more than doubled, its best quarterly performance in more than a decade, as it boosted its US car and truck production following the strikes last year. Profits from continuing operations rose from \$800m (£493m) to \$1.8bn. Revenue rose to \$42.3bn from \$39.2bn. In the same quarter last year, a 17-day strike at two Ohio brake plants paralysed the car maker's North American production and sharply reduced earnings.

## £10m fund for small businesses

A £10m fund is to provide equity investment of between £100,000 and £500,000 for up to 30 small and medium-sized businesses in Greater Manchester, parts of Lancashire and Cheshire. The United Utilities Venture Fund is to be jointly financed by the private and public sectors and the European Community. United Utilities, the water, electricity, gas and telecoms utility, is providing £4m.

Other backers include the European Regional Development Fund and the Co-operative Bank. Invotec, the venture capital investment fund specialists, are to manage the fund. The fund will target enterprises with a technology component which are seeking support for expansion.

## BT planning £45m stake in Portugal

**Chris Godsmark**  
Business Correspondent

British Telecom has expanded its network of European alliances, yesterday announcing moves to buy a stake in Portugal Telecom, the country's main phone company.

It will create an alliance that BT hopes could unlock opportunities in the fast-growing Brazilian phone market, the largest in Latin America. The announcement also appeared to move BT closer to an even bigger goal of prizing Telefonica of Spain away from its existing

partnership with MCI's US rival, AT&T.

The developments come as BT prepares to hear the outcome of today's extraordinary general meeting at the Wembley Conference Centre, to approve the proposed £12.5bn merger with the US long-distance phone giant, MCI. BT expects several hundred of its 2.3 million private shareholders to attend this morning's gathering, which is expected to last less than an hour.

The latest expansion into the lucrative international business communications market is seen

as well-timed and likely to reinforce BT's contention that buying MCI is the only way to provide a genuinely global service to customers. Though the merger is certain to be approved, some analysts continue to have reservations about the price BT is paying and the potential commercial benefits.

The deal still needs approval from the European Commission, likely to be little more than a formal, and the US telephone watchdog, the Federal Communications Commission (FCC). The FCC has made clear it will approve the merger

only if BT and MCI can show that the UK phone market is as free as the market in the US.

The deal with Portugal Telecom involves BT taking a 1 per cent stake in the company for £45m when the third phase of its privatisation takes place later this year. MCI will take a stake of 0.5 per cent.

Portugal Telecom will become the latest distributor of Concert business services, while BT clearly hopes it will lead to a partnership with Telefónica, Brazil's leading phone group, with which Portugal Telecom has an existing alliance. BT

said the Brazilian telecommunications market was worth \$14bn (£8.6bn), accounting for 40 per cent of Latin America's total phone market.

Separately, it emerged that the chairman of Portuguese Telecom, Francisco Murtinho Nabo, is to hold talks next week with Juan Villalonga, head of Telefónica.

The move would potentially bring BT closer to clinching a deal with the Spanish carrier.

Industry sources suggested Telefónica could announce a partnership with Concert within days.

## Continental close to deal with Boeing

**David Usborne**  
New York

Airbus Industrie is facing a further setback in the North American market following reports yesterday that Continental Airlines was negotiating to place all its future aircraft purchase contracts with Boeing.

Such an agreement would follow hard on the heels of similar exclusive purchasing deals signed by Boeing with big US carriers Delta and American.

Gordon Bethune, the chief executive officer of Continental, was reported yesterday to have asked Boeing to make an offer on the basis of an exclusive deal. Under it, Boeing would supply all Continental's fleet needs for decades.

It is widely believed that by making their beds with Boeing alone, both American and Delta deal, accusing Boeing of committing unfair marketing practices. The consortium is still considering whether it can launch legal challenges of the two deals.

Airbus has also publicly questioned the wisdom of deals that effectively shut off any competitive bidding for their future aircraft acquisitions.

## Metro-Cammell wins £100m train order

**Michael Harrison**

National Express yesterday placed a £100m train order for its Gatwick Express franchise with GEC Alsthom's Metro-Cammell division, safeguarding up to 1,800 jobs in Birmingham.

The order for eight luxury trains is one of the biggest since the rail industry was privatised and was won by Metro-Cammell in competition with up to 20 other rolling stock companies.

Michael Heseltine, the Deputy Prime Minister, hailed the news, saying: "Rail privatisation has opened the way for new investment and better services. As our rail networks are free to raise standards and put the customer first."

However, the Save Our Railways pressure group, which has campaigned against rail privatisation, said that investment in new trains was lagging far behind that achieved under the old British Rail and it described the fleet replacement plans of the

privatised rail industry as "desirous".

The new trains will start to enter service in December 1998 and will cut the journey time from London Victoria to Gatwick from 30 to 25 minutes.

There will be three standards of travel – executive, first and standard. "We aim to make the on-board service more like an airline experience than a traditional train journey," said the Gatwick Express managing director, Mac Mackintosh.

Gatwick Express will lease the trains direct from GEC Alsthom over a 12-year period. GEC Alsthom will design, build and maintain them. The extension of Gatwick Express's franchise from seven to 15 years was contingent upon it placing the order for new rolling stock.

Other train orders in

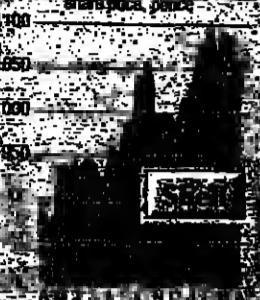


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## Data Bank

|             |                 |       |
|-------------|-----------------|-------|
| FTSE 100    | 4251.7          | 9.6   |
| FTSE 250    | 4505.8          | 28.0  |
| FTSE 350    | 2097.4          | 10.1  |
| SEAO VOLUME | 651.1m shares   |       |
|             | 42,369 bargains |       |
| Gilt Index  | 93.64           | +0.18 |

## Share spotlight



## Utilities shrug off windfall fears to retain their glow

Utilities, once seen as the big casualties of a potential Labour government, remain the stock market flavour of this election month.

As equities drifted, unsettled by Friday's New York slump, many of the old privatised groups turned in encouraging performances with leading investment houses continuing to point to their attractions.

The general view is that windfall tax worries have been exaggerated, the regulatory climate is unlikely to deteriorate and dividend growth should be assured.

The English generators, National Power and PowerGen, have been charged up since John Major's come-to-the-polis invitation. NP, 498.5p when the election was called, climbed 9.5p to 535p; PG rose 10.5p to 638.5p from 622.5p. Over the same period Footsie has lost more than 170 points. NatWest Securities' ones

again drew attention to NP; Morgan Stanley, the US investment house, was another extolling NP's virtues, saying the generator was well-positioned for growth.

The US group also took a shine to National Grid, up 5p at 222p. E.ON, one of the former Hanson constituents, also found favour with Morgan, gaining 7.5p to 495.5p. It is in the running to buy the New England Electricity operation. Other utilities higher included Thames Water, up 2.5p at 677p, and ScottishPower, 4.5p at 381p.

Southern Electric, the last survivor of the 1990 regional electricity sell-off, rose 8.5p to 428.5p. Inevitably stories of its days of independence will not last much longer as are going the rounds. But it is just possible that if there is a change of government Southern will defy the odds and continue to go it alone.

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## MARKET REPORT

## DEREK PAIN

stock market reporter of the year

FTSE had another strong session, gaining 4p to 185.5p, highest since it split from Central. The market is reading the delay in its confrontation with Ofgas as a sign it should enjoy a favourable outcome; there is also persistent, if unlikely, speculation of takeover interest with, as usual, unidentified overseas players said to be interested.

FTT fell 3.5p to 438p. Shareholders meet today to approve the merger with MCI, the US group. The proposed deal has prompted Société Générale Strauss Turbina to produce some telephone number profits. For the year ended last month it is looking for

£3.15bn; this year the forecast is £4.3bn and next year SocGen is shooting for £5.75bn. The securities house believes the shares are a buy and points to the possibility that many UK institutions are likely to be "substantially overweight" once the merger is completed.

Footsie ended 19 points lower at 4251.7. In early trading it was off 37.8. The interest rate cloud continues to hover threateningly with increases on both sides of the Atlantic regarded as foregone conclusions.

The decline was accentuated by dividend payments removing almost 7 points from the calculation. Shell fell 33.5p to

1.026p although going ex-dividend cost 28.13p.

General Electric Co firms

to 370p. The electronics giant is still trying to get involved in the Thomson-CSF sell-off in France and could be holding talks with the Lockheed Martin group.

Health shares had a down-beat session. Shield Diagnostics, despite another impressive statement, fell 30p to 607.5p.

Erik Hornbeam, with Abbott

Diagnostics, has become a director and new stockbroker

UBS is hosting institutional

meetings this week. Celltech

lost 10p to 560. SkyPharma,

reflecting investment presentations, rose 8p to 83p and ML

Laboratories' long decline was

arrested with a 15p gain to

197.5p.

Zeneca fell 17p to 1.824p

with ABN Amro Hoare Govett

adopting a negative stance;

the same securities house also

hit Next, the fashion retailer,

which will move to £2.2m from £3.22m.

## Taking Stock

□ Jarvis, the building and railway maintenance group, jumped 15.5p to 240p; the shares were 4.75p two years ago. Latest excitement

stemmed from Jarvis reporting profits would top market hopes. Its stockbroker Peel Hunt, promptly lifted its estimates. For the period to the end of last month it went from £10.1m to £14.6m and this year from £21m to £27m.

Results should be announced in June; there could be an acquisition before then.

□ Stories resurfaced Nigel

Wray plans to pump Nottingham Forest into one of his

quoted vehicles - Carlisle or

printers Thomas Potts.

Carlisle, a property shell,

held at 10.5p, Potts ceased to

13.25p. The market believes

Potts has a deal lined up

which will involve a placing.

But it is not convinced it will

shoot for Forest.

| 1997                          | High | Low | Stock | Price | Chg | Ytd | PER  | PRE | 1997     | High | Low | Stock | Price | Chg | Ytd | PER | PRE | 1997     | High | Low | Stock | Price | Chg | Ytd | PER | PRE |
|-------------------------------|------|-----|-------|-------|-----|-----|------|-----|----------|------|-----|-------|-------|-----|-----|-----|-----|----------|------|-----|-------|-------|-----|-----|-----|-----|
| Alcoholic Beverages           | 400  | 390 | 100   | 390   | 0   | 0   | 10.0 | 1.0 | Alco     | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | Alco     | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Banks, Merchant               | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Banks, Retail                 | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Breweries, Pubs & Restaurants | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Distributors                  | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Engineering Vehicles          | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Extrusive Industries          | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Investment Companies          | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Leisure & Hotels              | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Oil Exploration               | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Oil, Integrated               | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Other Financial               | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Telecommunications            | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Refineries, Food              | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Textiles & Apparel            | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Tobaccos                      | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Transport                     | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   |
| Water                         | 100  | 95  | 100   | 95    | 0   | 0   | 10.0 | 1.0 | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   | 0   | ABN Amro | 100  | 95  | 100   | 95    | 0   | 0   | 0   |     |

# The exchange rate is right so let's all go on holiday



Hamish McRae

If conventional wisdom is right then glum times are ahead. The market is presumably making a mistake and the pound will come back down. But this may take some time, particularly since it will be buoyed up in coming months by two things: the strong dollar and the high interest rates required to curb over-rapid domestic growth. We are not going to get sterling back down quickly unless there is extreme incompetence by the incoming government, which would be an even less satisfactory outcome than suffering the costs of an overvalued pound.

That is the conventional wisdom and, if it is right, then glum times are ahead. The market is presumably making a mistake and the pound will come back down. But this may take some time, particularly since it will be buoyed up in coming months by two things: the strong dollar and the high interest rates required to curb over-rapid domestic growth. We are not going to get sterling back down quickly unless there is extreme incompetence by the incoming government, which would be an even less satisfactory outcome than suffering the costs of an overvalued pound.

Suppose, on the other hand, that the key problem was not the ERM exchange rate as such but a combination of the over-high interest rates that ERM membership imposed and too high a dollar rate. Then the outlook could be altogether more benign – particularly if one looks at the impact that the surge in the Deutschmark had on the German economy two years ago. The effect of that was to force a radical rethink by German exporters on how to cut their costs. As a result German manufacturing productivity rose by close

be-re-employed elsewhere, rather than (as in Germany) where there are fewer such options.

Second, we know from past experience that the UK economy, unlike the German one, is very good at creating service-sector jobs. It is creating a lot at the moment; in fact one of the worries is that it is creating too many for the labour supply, hence the sharp rise in service-sector wage rates over the past four or five months.

Finally, unlike Germany at any time since reunification, the UK's not in current account deficit at the moment, and while all past history should make UK-economy watchers twitchy about the balance of payments, there seems to be no pressing reason to be concerned about the payments' implications of a strong pound.

So not only is the UK cyclically better-placed to cope with an over-strong currency, but it is also structurally better-placed to do so.

To say all this is not to defend an unreasonable exchange rate; it is simply to say that a somewhat stronger pound may do less damage than the pessimists currently suggest. Insofar as it has the long-term effect of boosting exporters' productivity there is even a bonus.

If that is right it is encouraging for it suggests that, within broad margins, there are several "right" rates for a currency. Maybe the experience of wildly fluctuating rates particularly through the 1970s and early 1980s has trained commerce and industry to live with uncertainty. But there is the bigger question which concerns whether "right" exchange rates vary over time.

The conventional benchmark for assessing the appropriate value of currencies is purchasing power parity, but currencies can depart from their PPP for long periods, perhaps up to a decade, maybe longer. For the best part of a decade the dollar has been undervalued, and it suffered bouts of undervaluation during the 1970s. Go back, however, to the immediate post-war period and it was clearly overvalued. For the yen, and to some extent the mark, the reverse has been true.

to one-third over a four-year period. There has been a cost, for most German employers shed labour and that is one of the reasons why German unemployment is currently so high. But the adverse impact of such a squeeze would be much less marked in the UK for at least three reasons.

First, the currency-induced squeeze would come at a quite different stage of the economic cycle: rather than slump. As a result, labour shed by manufacturing has a much better chance of being reabsorbed by the service sector. For anyone caught up in this process, it is a difficult and painful business. But at least it is better that people should lose their jobs at a time when there is a good chance that they can

So sterling could have been at too high a rate in 1992, yet still be at an appropriate rate now. It is a simple point: currency movements, far from being a malign shock imposed by evil speculators, are a natural buffer, along with interest rates, helping iron out economic fluctuations.

Seen this way, sterling's strength is helpful and not just because cheaper imports are helping hold down inflation: the rate is appropriate for the economy as a whole, even if it makes life difficult for manufacturing exporters.

Let's hope so. One thing is sure: whether or not the rate is right or wrong is academic, for with one exception there is not a blind thing we can do about it. The exception? Well, we can enjoy holidays on the Continent now that prices are, in sterling terms, back to an acceptable level. Hurry while stocks last.

Hamish McRae is a former editor of *Financial Times* and *Financial News*.

## Foreign Exchange Rates

| Country      | Sterling |         |          | Dollar |         |          | D-Mark  |         |          |
|--------------|----------|---------|----------|--------|---------|----------|---------|---------|----------|
|              | Spot     | 1 month | 3 months | Spot   | 1 month | 3 months | Spot    | 1 month | 3 months |
| US           | 16227    | 7.8     | 24.21    | 1000   | 29.26   | 83.81    | 9500    | 105.27  | 125.28   |
| Canada       | 22954    | 6.1     | 20.82    | 1000   | 29.26   | 83.81    | 10500   | 115.27  | 135.28   |
| Germany      | 27854    | 6.3     | 20.72    | 1000   | 29.26   | 83.81    | 10500   | 115.27  | 135.28   |
| France       | 94047    | 232.21  | 675.64   | 1000   | 29.26   | 83.81    | 33632   | 115.27  | 135.28   |
| Italy        | 27188    | 26.42   | 71.94    | 1000   | 29.26   | 83.81    | 735.835 | 115.27  | 135.28   |
| Japan        | 26151    | 69.35   | 265.285  | 125.34 | 54.53   | 157.65   | 731.725 | 115.27  | 135.28   |
| UK           | 25757    | 6.10    | 23.35    | 55.005 | 7.5     | 20.47    | 206023  | 115.27  | 135.28   |
| Belgium      | 57012    | 6.10    | 23.35    | 55.005 | 7.5     | 20.47    | 206023  | 115.27  | 135.28   |
| Netherlands  | 1649     | 230.19  | 710.60   | 55.005 | 9.79    | 20.47    | 30861   | 115.27  | 135.28   |
| Denmark      | 31429    | 6.77    | 24.22    | 1000   | 29.26   | 83.81    | 1292    | 115.27  | 135.28   |
| Iceland      | 1300     | 280.20  | 790.67   | 55.005 | 10.45   | 20.47    | 40409   | 115.27  | 135.28   |
| Norway       | 23531    | 228.13  | 745.01   | 55.005 | 10.45   | 20.47    | 170.25  | 115.27  | 135.28   |
| Spain        | 23778    | 223.60  | 840.20   | 125.34 | 4.16    | 102.11   | 43269   | 115.27  | 135.28   |
| Sweden       | 20264    | 2.4     | 11.4     | 128.33 | 5.6     | 14.16    | 1247    | 115.27  | 135.28   |
| Hong Kong    | 2575     | 67.26   | 184.12   | 7.995  | 2.0     | 3.7      | 44693   | 115.27  | 135.28   |
| Malaysia     | 6258     | 0.0     | 2.0      | 25.98  | 2.73    | 3.48     | 105.27  | 115.27  | 135.28   |
| New Zealand  | 60348    | 2.00    | 7.40     | 22.25  | 0.51    | 0.67     | 21763   | 115.27  | 135.28   |
| Saudi Arabia | 60348    | 0.0     | 0.0      | 3.7505 | 1.4     | 5.8      | 115.27  | 115.27  | 135.28   |
| Singapore    | 23391    | 0.0     | 0.0      | 144.05 | 24.13   | 70.63    | 105.27  | 115.27  | 135.28   |

Figures calculated on 1000 basis.

Yield = yield %



## sport

# The French gave us the most to admire this season, the Welsh were not far behind but can Fran Cotton please be quiet?

The first season of professional rugby union has been full of interest. The consequences have not all been benign. On the whole, money has done the talking. Who would have thought, a few seasons ago, that Saracens would be riding high, and Llanelli struggling – even if the last few games played by both clubs suggest that, though money may be useful, it cannot buy everything? Here, anyway, are a few awards:

**Club of the season:** There is no question at all in my mind. It is Brive. The full name of the town, Brive-la-Gaillard, or Brive-la-Gallant, a title fully justified. Some of the English reports have suggested that it is a one-horse sort of place, well off the beaten track. Not so. It is on the main

line from Paris to Toulouse, and even the fast trains stop there. Leicester's disappointing performance in the European Cup final at Cardiff should not, however, lead us to conclude that top French club rugby is superior to the English variety. After all, Toulouse were convincingly defeated in the same competition, first by Wasps and then by Leicester.

The runners-up in this section are Sale, who would be the outright winners if they had not thrown the competition open to European clubs.

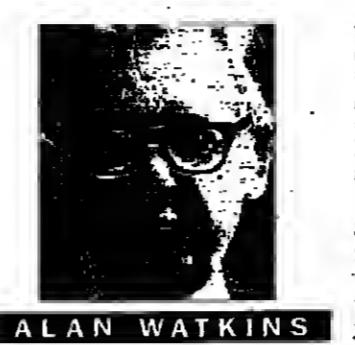
**Country:** France. When the French management team, Jean-Claude Skrela, Pierre Villepreux and Jo Maso, accompanied by the French captain, Abdel Benazzi, entered the Twickenham press con-

ference after their win over England, the French journalists broke into spontaneous applause. This was unprofessional but understandable.

England put up some fine performances in the last quarter but were unable to do so against France. The team that came nearest to beating them in the Five Nations were Wales in Paris.

But the runner-up award goes not to France or Wales but to Italy, who beat England at Grosvenor and did enough in the rest of their matches to earn admission to a new Six Nations' Championship.

**Player:** Christian Lamaison, of Brive and France, who kicked all his goals and did not miss any tries. I did not approve of his charge on



ALAN WATKINS

Craig Chalmers but witnessed many worse episodes during the season.

**Runner-up:** Allan Bateman, of Richmond and Wales, who looked dangerous whenever he had the ball in his hands and often, owing to his

uncanny positional sense, when he did not. I am not including Gary Connolly, of Harlequins, because he did not play a full season, returning to Wigan in the new year. Otherwise he would be contesting Bateman's award.

**Most promising newcomer:** A good selection, with Denis Hickie and Eric Miller from Ireland, Austin Healey and Richard Hill from England, and Tom Smith from Scotland. Four of these are off to South Africa with the Lions. But I am choosing someone who was not chosen for the trip and, because of injury, did not manage a full season for his country: Colin Charvis, of Wales. It is not altogether fanciful to think that, if both Charvis and Bateman had

been available throughout the season, Wales would have won two or three of their matches rather than the one they managed.

**Least defensible decision:** Jack Rowell's, to leave Jeremy Guscott on the substitutes bench throughout the Five Nations. Whenever he came on he lit up the game. Once Phil de Glanville had been chosen as Will Carling's successor, a controversial though defensible decision, the logical solution was to play him and Guscott in their normal club positions, rather than to force Carling into the side in an unfamiliar position.

**Lowdown:** Fran Cotton. **Most worrying development:** The penalty try, closely followed by the dangerous tackle.

**Greatest loss:** Clem Thomas, who died of a heart attack in September 1996. Clem was as fearless a journalist as he had been a flunkie. His finest hour as a journalist was, I thought, when he denounced the management of the 1977 Lions in New Zealand, telling the truth but risking several friendships. He would have been encouraged by Wales' performance and delighted by France's.

Possibly he was held in higher regard in that country, where he had a small house in the Medoc, than he was in his own native land. We drank many a bottle of the wine of that region on May expeditions to watch the semi-finals of the French cup. He was a marvellous companion and a good friend.

## Buxton behind Chinese wall

**Ken Jones** on a man who learned his football in south-east London and is now passing on his know-how and rhyming slang in the Far East

**O**all the things Ted Buxton has imagined doing in his life, acting as a consultant to the Chinese Football Association certainly was not one of them.

Apart from anything else, his past experiences include a spell as an infantryman seeking out Chinese insurgents in the Malaysian jungle. Indeed, Buxton sometimes talks of the probability that he once picked off representatives of the regime under which his employers operate.

While Buxton's memories of warfare are not introduced lightly, they make his appointment ironic. "It's impossible to be in China and not think about those days," he said last week when we met up in London.

Buxton, who used to be part of England's coaching and scouting set-up, will shortly be back in Peking helping China prepare for World Cup Asian Group Eight qualifying matches against Vietnam, Tajikistan and Turkmenistan that could lead to an encounter with Australia, who are now under the instruction of his close friend, Terry Venables.

"We're good enough to make the Oceanic Group, but that's likely to be the end of it because Terry's team look in great shape and should reach the finals," Buxton said. He was introduced formally to the Chinese in Peking last summer, when sent on reconnaissance by Venables before England played a warm-up match prior to the European Championship.

It began a period of Buxton's career in football that can be loosely described as hilarious. "Terry was right to be worried about the pitch because it was bloody awful," Buxton said. "The Chinese promised that everything would put in order after a couple of games over the weekend, but when I went back on the Monday nothing had been done.

"When I saw the surface, holes everywhere, I blew up. When I asked to see the groundsman, the interpreter told me that it was his day off.

**'If they don't measure up to set standards, they're out. It would horrify our players'**

federation and, after talking to Terry, I accepted."

Buxton had come a long from south-east London and a moderate playing career with Millwall and in the Kent League, before working at Gillingham and in the United States at Tampa Bay. He had served as the chief scout at Tottenham under David Pleat and Peter Shreeve, latter forming an alliance with Venables that was renewed at national level.

Now Buxton was in Peking, living in a hotel room and relying on an interpreter to put his points forward. Buxton, in some moods, likes to deprecate the importance of his appointment, although it is naturally impossible to deprecate anything without mentioning it. He does not wish it to obscure many humorous experiences. "After a while I discovered that a couple of players speak English and one of them, a goalkeeper, only know as 'O', had picked up my rhyming slang. I found out

when he came in after a match and said: 'Ted, I'm f\*\*\*ing cream-crackered'."

Nothing much is as Buxton imagined. One of the things he had to jump on was smacking in the dressing-room at half-time. Not the players, but the coaches. "When I opened the door you couldn't see or breathe properly in there," he said. "The chief coach and his two assistants were puffing away, so were the physiotherapists, or doctors as they call them. We were down and the players were sitting there ejected, heads in hands, having their lungs polulated. I put a stop to that, but in other ways the Chinese are very professional."

The national team is drawn from China's 12 leading clubs whose players must prove their fitness pre-season at a spartan training camp. "It's murder," Buxton said. "They run 10,000 metres a day and are put through routines while doctors stand alongside taking blood from their ears. If they don't measure up to set standards, that's it, they're out. It really is hard, a bloody boot camp that would horrify our players."

Buxton's original brief – he has a contract until the end of June – was to put China on course for the 2002 World Cup, but success in the recent Dunhill Cup tournament has heightened expectations. China, in competition with Bosnia, Indonesia, Malaysia, Singapore and Vietnam, won all their matches, scoring 13 goals with only two against. "It caused a great deal of excitement," Buxton added, "and proved to me that they are quick learners. The leading players get good money, even by our standards, and are very receptive."

One of the things Buxton managed to get across in time for the Dunhill tournament – China were put out at the quarter-final stage of the Asian Cup – is that football tactics are not set in stone. In doing so, he realised again that examples can lead to confusion. "One day, when we were behind at half-time, I said that there are times when you have to play like

Wimbledon, meaning like Wimbledon used to. They looked at me with blank faces because the name, never mind the idea, didn't mean anything to them. But they watch a lot of our football and know all the leading players, Gazzetta especially. They all want to know about him."

An interesting thing, you may think, is the number of tall players China can call upon.

The idea that they are all midgets is bollocks [another

word that now figures in the team's burgeoning English vocabulary]," Buxton said. "They have some big guys and are now making better use of them at set-pieces. That's mainly what I do with them, updating their awareness of things that are natural to players in other countries, getting the shape right, putting the tactics in order."

The philosophy of a natural itinerant stands him in good stead, and he stays in touch with Venables.

One of the many experiences in his life to which Buxton refers in ordinary conversation is that perilous

journey to the Far East. "As a professional footballer, I expected to get a cushy number, instead I was on the 3rd West Kent's an ended up out there with a gun in my hand getting shot at."

When David Pleat once asked Buxton if he had killed anybody, he replied in the affirmative. Understandably, that does not figure in conversations over the crispy duck and chop suey.

"What I wasn't expecting was them to sack Iain. Nor was I then expecting them to ask me to take the job. I couldn't do that and I saw the conditions Iain was working in."

Munro revealed that the chairman, Danny Penman, asked if he had "had enough" on the pavement at Fir Park after Saturday's 5-0 defeat by Motherwell, even though he had more than two years left on his contract.

"I asked if they had had enough of me as manager of Raith Rovers and he told me I had been a failure, which I didn't accept," Munro said.

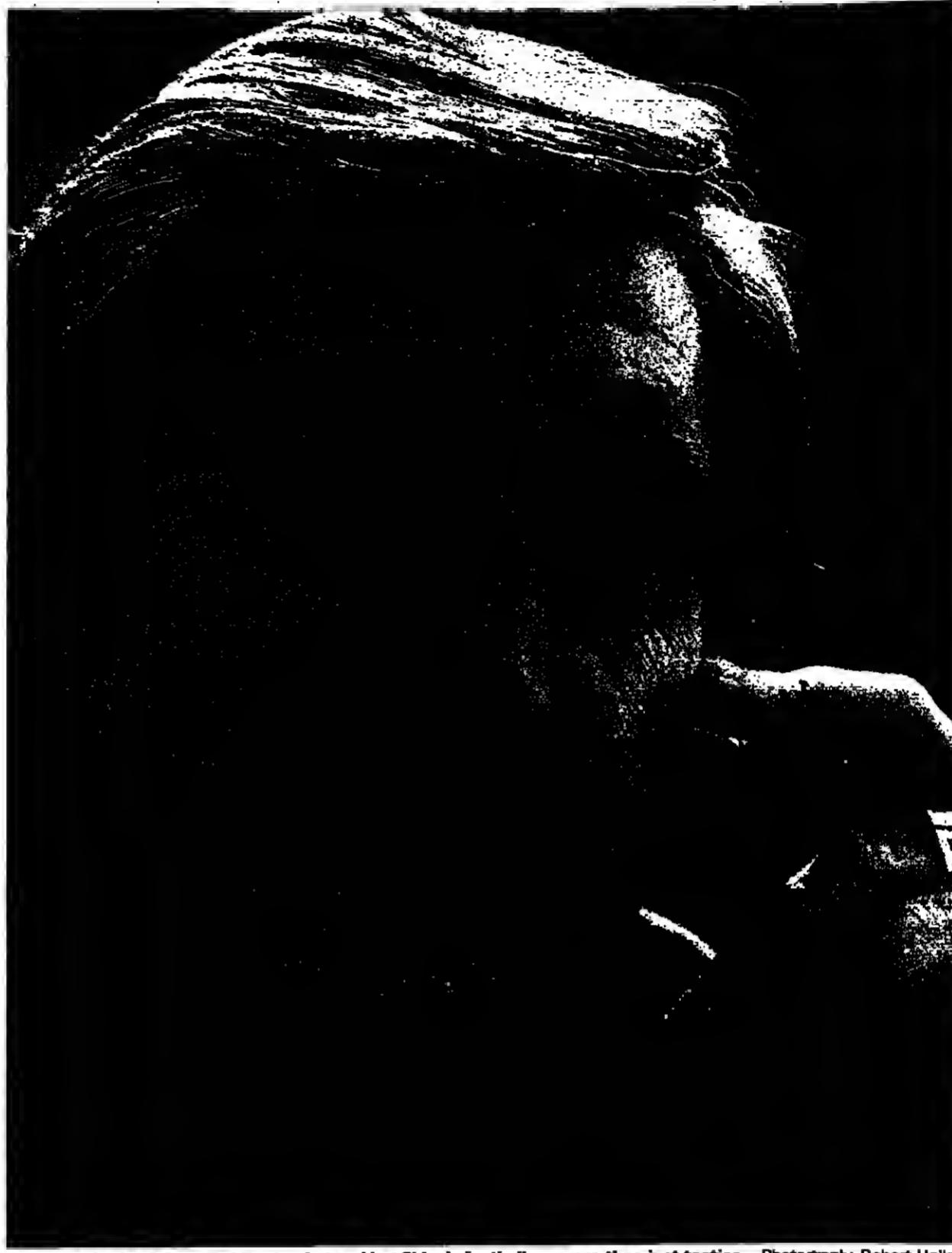
"Raith were bottom of the table when I took over and it is not as if I had spent a million on new players. I'd no cash to spend and when we did bring in Soren Andersen and Kent Bergersen on loan we picked up points."

"The board just couldn't give me cash to give the players who were there the lift a couple of new faces could bring. I don't blame the Raith players and the fans were very patient in a frustrating time. I don't think my reputation or credibility has been damaged by this but I think the club's has."

Munro revealed he told Nicholl yesterday to take the job if asked and not to concern himself with what might be said by those on the outside."

Nicholl fell out with Penman towards the end of 1995 which led to the former Northern Ireland international quitting for Millwall.

Penman was not supposed to still be at Stark's Park after agreeing to step down earlier this year with a scrap merchant, Willie Gray, expected to take over. But a special extraordinary general meeting was cancelled and he remained in charge.



Wise man in the Orient: Ted Buxton is teaching China's footballers more than just tactics. Photograph: Robert Hallam

## Boro's fixture pile-up is bad but Dagenham's is worse

**JON BROOKIN**

The severe fixture congestion which is threatening to engulf Middlesbrough's bid to avoid relegation eased marginally yesterday, in spite of confirmation from the Premier League that an extension to the season was out of the question.

The Middlesbrough manager, Bryan Robson, had feared that his side would face five games in the last nine days of the season after Chesterfield's late equaliser in Sunday's FA Cup semi-final. Next Tuesday's replay means their League game at Tottenham, due to be played on Monday, has

been postponed to Saturday, April 26.

**SO LITTLE TIME AND SO MANY MATCHES FOR SO MANY TEAMS**

**FA Cup:** Middlesbrough, Preston, Everton (1st, 15 April); Manchester United (2nd, 24 April); Port Vale, Germania, St. Mirren, Wigan, Warrington (3rd, 1 May); Middlesbrough (4th, 11 May); Walsall, Wrexham (5th, 13 May); Shrewsbury (Wednesday, 16 May); Chesterfield (1st, 18 May); Bradford (2nd, 25 April); Wigan (3rd, 1 May); Walsall (4th, 12 May); Wrexham (5th, 19 May); Walsall (6th, 26 April); Wrexham (7th, 3 May); Walsall (8th, 10 May); Wrexham (9th, 17 May); Walsall (10th, 24 May); Wrexham (11th, 31 May); Walsall (12th, 7 June); Wrexham (13th, 14 June); Wrexham (14th, 21 June); Wrexham (15th, 28 June); Wrexham (16th, 5 July); Wrexham (17th, 12 July); Wrexham (18th, 19 July); Wrexham (19th, 26 July); Wrexham (20th, 2 July); Wrexham (21st, 9 July); Wrexham (22nd, 16 July); Wrexham (23rd, 23 July); Wrexham (24th, 30 July); Wrexham (25th, 6 August); Wrexham (26th, 13 August); Wrexham (27th, 20 August); Wrexham (28th, 27 August); Wrexham (29th, 3 September); Wrexham (30th, 10 September); 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**Me old China**  
Ken Jones on a football  
puzzle in Peking, page 26

# sport

**Pool revolution**  
James Parrack on  
swimming's new era, page 27

## Atherton appointed for Ashes series

DEREK PRINGLE

Cricket Correspondent

Michael Atherton has been re-appointed as England cricket captain for the summer's Tests and one-day matches against Australia. Barring injury, he will now break Peter May's 41 Test record as captain, set 36 years ago, when he leads England in the second Test at Lord's.

The announcement was made by Lord MacLaurin, the chair-

man of the England Cricket Board, at Cornhill's Player of the Year awards luncheon, an accolade deservedly won by Surrey's Alex Stewart, once Atherton's main rival for the captaincy.

The appointment for the whole of the summer is certain to boost the confidence of both captain and team. It was a point reinforced by Atherton when he said: "Australia will start this summer's series as favourites, but psychologically we will be expecting to do well.

"I think my appointment shows the right amount of confidence and stability. That's the message that will be given to the Australians."

Winnings is the only known antidote to sporting uncertainty and Atherton, his captaincy under severe pressure after England's dismal performances in Zimbabwe, managed to regain approval of his leadership qualities after his team's back-to-back Test wins against New Zealand, during the second half of the winter.

To those certain that heads must roll, the timing may appear to have been fortuitous, but when needed, great survivors like Atherton have always been able to lunch across tightropes without falling.

The two victories certainly persuaded David Gracey, the chairman of selectors, and his two cohorts, Graham Gooch and Mike Gatting, who made their recommendation to Lord MacLaurin, several weeks ago. MacLaurin still retains the

chairman's power of veto, a mechanism that did for Gatting in 1989, when he was appointed and then removed as captain within the space of two days.

Happily for Atherton, the outgoing chairman of Tesco is clearly an Atherton fan, and despite the alarm he professed after seeing England at their most churlish during the Zimbabwe leg of last winter's tour, kept the lethal veto in its holster. However, being a successful and dynamic businessman,

MacLaurin has also sought to rectify the matter of England's xenophobia – sooner rather than later – by putting in place a series of initiatives.

The first of these begins today with a two-day course on management development and team understanding run by Will Carling at a secret location in the Midlands.

"Our Test players are a top priority," MacLaurin said. "Their preparation to that end is our responsibility. They are

under the spotlight for 24 hours a day and we need to help them cope with the pressures and strains. From now on nothing but the best is good enough for our players. But I want a big return for investment and I wasn't joking when I said I want them to die for England."

In any case, Atherton did manage to win one of the three Ashes series he skippered. If Atherton can do the same this summer his record-breaking run as captain will at last burst free from its straitjacket of mediocrity.

## Woods' triumph changes shape of golf overnight

**Andy Farrell** reports from Augusta on the Master who is that rare individual capable of taking a sport into a new dimension

It is a rare occurrence when a sport enters a different dimension virtually overnight. In fact, it took four days to transform the game of golf and capture the global imagination, but anyone who witnessed the power and grace of a certain 21-year-old as he left the Masters field behind him will be able to say in future years that they saw Tiger Woods' first major. For there will be many, many more to come.

An extraordinary performance unfolded, it was difficult not to make seemingly extravagant comparisons. Such as the way Bob Scaam took the long jump into a different realm, or the way Bjorn Borg played another game entirely.

As frightening as a man of his tender years winning his first major championship as a professional by the little matter of 12 strokes is, at least it was beyond the wildest dreams of even Tiger Woods. "I've always dreamt of winning the Masters," Woods, newly coated in his Green Jacket, said.

"I never thought I would have a lead like I did. You envision duelling it out with Nicklaus or Watson or Faldo.

someone who's awfully tough to beat down the stretch, or birdieing the last three holes to get into a play-off, but never to do it in the fashion I did."

Woods, the youngest-ever winner at Augusta, did so by breaking Jack Nicklaus's largest winning margin by three shots and Nicklaus's and Ray Floyd's low score by one. These are records that only Woods, the second player to win his first major as a pro, can think of breaking in the future.

Nicklaus's record of six Masters titles is also in danger, and the Bear knows it. "I have never known any young man handle pressure as well as him," Nicklaus said. "Not only does he live up to his publicity, he outperforms it."

Everyone knew Augusta was made for Woods' power game, but there were enough suspicious people in the game who wondered whether he had enough experience of Augusta itself and major championships in general. Now we know. As

when Nicklaus came on the scene in the 60s, there is a new standard. Worryingly, for the Ryder Cup at Valderrama in September, Europe's best two players, Nick Faldo and Colin Montgomerie, both shot 81s the day after playing with Woods.

Faldo is the ultimate modern professional and a man whose goal is eventually to win all four of the major championships. So far the Englishman has won two of them, the Masters and the Open Championship, three times each. The Grand Slam, winning all four majors in the same year, may have been achieved in tennis, but it was thought impossible in professional golf. Not any more.

"Whether it is realistic or not, I can't tell you, but I think it can be done," Woods said. "Take Phil Mickelson last year. He won four times. If you win the right tournaments four times, then you have a slam. It's difficult because they are majors, with the best players in the world, under the most extreme

conditions. But I think if you peak at the just the right times, a lot like Nicklaus used to do, and have luck on your side, then who knows?"

The nearest anyone has come to raising their game for a particular week since Nicklaus is Faldo, but Woods was the one who threw the switch at the turn on Thursday. Four over for the first nine holes, Woods played the last 63 holes in 22 under. Faldo missed the cut. Both spent the previous week preparing for Augusta, both had the greens at their respective homes in Orlando shaved to Masters speed.

Only Woods shot a 59, beating Mark O'Meara's course record at Isleworth by five shots. "I busted my tail to try to get ready and when I got here, I was ready to go," Woods said. "It does help when you shoot a 59 at home. When a person has the time and ability to prepare, then a person can win a tournament."

Brad Faxon, by contrast,

spent the week winning the

Freepoint McDermott Classic in

New Orleans. "I don't have

the ability to control when I am

going to play well," Faxon said.

He missed the cut at Augusta.

During the week of his first tourna-

ment as a professional last

year – when he was 60th, but has

not been worse than 31st since

– Woods gave an interview on

television to Curtis Strange, the double US Open champion turned commentator.

In the interview, Woods re-

peated his mantra, that he is

looking to win every tournament

he plays, and that he is not in-

terested in finishing second or

third. "But, on tour, second or

third is not too bad," Strange

said. Woods concurred, but re-

stated his original premise,

he said. It is Strange and his four

colleagues who have to come to

terms with the fact that the age

of equality is over. The domi-

nance of one player, thought to

have died out in golf, is back.

Woods has not played at the

three other sites of this year's

majors: Congressional in Wash-

ington for the US Open, Royal

Troon for the Open and Winged

Foot, New York, for the USP-

GA. Augusta, with no rough, is

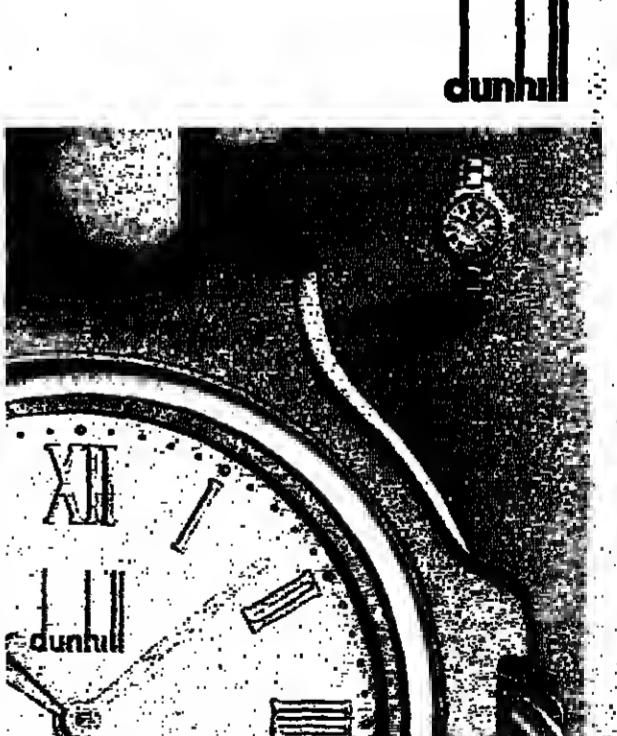
perfectly suited for Woods, al-



Tiger Woods celebrates with his father after achieving the goal of winning his first major

Photograph: Dave Martin/AP

After completing his astonishing victory, Woods sank his arms of his parents. "Every time I hug my mom or pop after a tournament, I know I have accomplished my goal. I know it is over." After Sunday at Augusta, golf as we know it is over.



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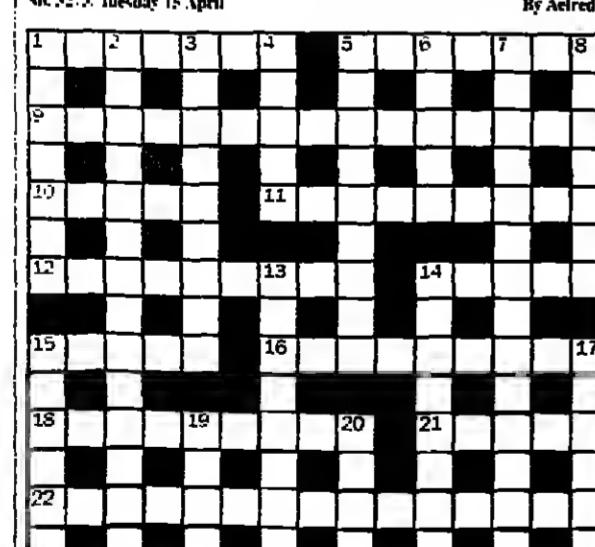
GOLDSMITHS WALKER & HALL  
THE BANK OF FINE JEWELLERY

### THE INDEPENDENT CROSSWORD

No. 3275, Tuesday 15 April

By Aled

Monday's Solution



**ACROSS**

- 1 Electrical unit one's seen in type of supply of Italian scientist (7)
- 5 Merged companies taking on head of tropical produce (7)
- 9 Let Times etc. come for grilling from these MP's. (6,9)
- 10 Thunder before this could make it cold and noisy (5)
- 11 Worker giving nothing for a musical that's rejected (9)
- 12 Quite a lot of tortoise decades I have covered (9)
- 13 They're secured by those best at tests (5)
- 15 Irritate games woman (5)
- 16 Half teachers, twice taking hooligan, showed disapproval (3-6)

**DOWN**

- 18 Dora could suggest repairs on the way (9)
- 21 Way of indicating father is a lover of bamboo shoots (5)
- 22 Fixes meal to be cooked by people in personal assessment (4-11)
- 23 Baby's clothes, however, will be coming in after due time (7)
- 24 Father gets crew a cargo (7)
- 25 Father gets crew a cargo (7)
- 26 Vices wrongly used by the French will produce a small blister (7)
- 27 Quite a lot of tortoise decades I have covered (9)
- 28 Civil Engineer's written on time of crush in correct grammar (9)
- 29 Company accepts account to secure a source of chocolate (5)

## Le Saux falls out with Blackburn

### Football

ALAN NIXON  
AND RUPERT METCALF

Graeme Le Saux's future at Blackburn Rovers has been placed in further jeopardy following a furious row with the club's caretaker manager, Tony Parkes.

The confrontation took place after last Saturday's home defeat by Manchester United and is likely to result in Le Saux being dropped for Blackburn's game at Arsenal on Saturday. Ironically, Arsenal are one of

which will go the winners of tomorrow's Coca-Cola Cup final replay between Leicester and Middlesbrough. However, the Teesside team win both tomorrow's game and the FA Cup, they will take part in the Cup-Winners' Cup and the UEFA Cup places will go to high-flying sides in the Premiership.

England will now have four places in the UEFA Cup – one of

which will go the winners of tomorrow's game against Derby at the Baseball Ground. The Villa

goalkeeper has apologised to

Le Saux for his actions when he learned that Michael Oakes was to be

preferred for the keeper's jersey.

The outcome will be decided by a draw. He has said he is sorry but I did not ask for excuses or

reasons for what he did," Little said. "His actions were wrong and he will not get on with playing football. I will fine him as heavily as I possibly can.

"I have put my point of view across about what sort of reactions people should have when they are left out of the side and he was outside of those and he will be punished accordingly," Little added. He also said that he was unlikely to recall Bremich for Saturday's home match against Tottenham.

The two Wандers, Bolton and Wolverhampton, have been punished by the Football Association for the brawl during their First Division match at Burnden Park in January. Bolton were fined £40,000, of which £30,000 has been suspended until the end of next season. Wolves were fined £30,000, with £25,000 suspended.

The Portsmouth manager, Terry Fenwick, has escaped punishment after allegedly making abusive remarks to the referee Andy D'Urso during a First Division match at Crystal Palace in January. Fenwick had been charged with misconduct by the FA but no disciplinary action will be taken because, according to an FA spokeswoman, the case was "not proven".

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